



Division of Elementary and Secondary Education

Transforming Arkansas to lead the nation in student-focused education

December 20, 2022

Johnny Key
Secretary

Dr. Ivy Pfeffer
Deputy
Commissioner

Nancy Anderson, Superintendent
Cutter-Morning Star School District
2800 Spring Street
Hot Springs, AR 71901

Stacy Smith
Deputy
Commissioner

Superintendent Anderson:

**State Board of
Education**

As a result of information discovered during investigation into the partnership between Cutter-Morning Star School District ("CMS") and the All Children's Academy ("ACA"), you are hereby directed to immediately cease operation of the partnership as an "ALE Program".

Ouida Newton
Poyen
Chair

The partnership as it functions and was described is not an approved ALE program nor could it be approved pursuant to the Division of Elementary and Secondary Education ("DESE") Rules Governing Student Special Needs Funding. Specifically, Sec. 4.01.1 requires that an ALE be: (1) operated by the school district; (2) a consortium of multiple districts with one designated as the lead district; (3) operated by an education service cooperative; or (4) a partnership with a state-support institution of higher education. The placement of students enrolled in CMS in classrooms directly operated by a private entity fails to meet any of these requirements. Further, CMS was found to be in violation of Sec. 4.02.4 of the DESE Rules: The ALE team shall develop a Student Action Plan (SAP) outlining the intervention services to be provided to the student.

Dr. Sarah Moore
Stuttgart
Vice Chair

Dr. Fitz Hill
Little Rock

CMS was unable to provide an SAP for any of the students in the "ACA ALE" or any documentation that the required referral, assessment, or placement procedures were appropriately followed.

Kathy McFetridge
Springdale

Steve Sutton
Marion

Due to the unauthorized operation of the "ACA ALE", our records indicate that CMS received \$48,000 of state funds that must be returned to DESE within 45 days of the date of this letter. If you are unable to return these funds to DESE within 45 days from the date of this letter, funds will be withheld from the district's next foundation funding payment. You may contact Greg Rogers, DESE Chief Fiscal Officer, at (501) 682-4476 if you need assistance in the repayment of these funds.

Adrienne Woods
Rogers

Randy Henderson
Blytheville

In addition, you are hereby directed to remove the "ALE" designation of any student attending "ACA" in e-school and ensure no additional ALE funding is received for these students unless they are placed in an approved ALE.

Lisa Hunter
White Hall

Jeff Wood
Little Rock

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

As part of our continued investigation, we are requesting that you provide the school choice applications with decisions for all students who have transferred into or out of the Cutter-Morning Star School District for the last three school years (20-21, 21-22, 22-23).

If you have any questions about the findings or directives contained in this letter, you may contact Courtney Salas-Ford at (501) 682-4752.

Respectfully,

A handwritten signature in blue ink that reads "Johnny Key". The signature is fluid and cursive, with the first name "Johnny" and the last name "Key" clearly distinguishable.

Johnny Key
Secretary of Education

Cc: Jim Harbin, Cutter-Morning Star Board President