

Dollarway School District Review



**DIVISION OF ELEMENTARY
& SECONDARY EDUCATION**

Presented by

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Office of Coordinated Support and Service

Division of Elementary and Secondary Education

November 13, 2020



DIVISION OF ELEMENTARY & SECONDARY EDUCATION

Vision

The Arkansas Department of Education is transforming Arkansas to lead the nation in student-focused education.

Mission

The Arkansas Department of Education provides leadership, support, and service to schools, districts, and communities so every student graduates prepared for college, career, and community engagement.

Project Context



Presentation Agenda

- I. Dollarway School District Context & History
- II. SBE Decision Overview
- III. Review of Progress Toward Exit Criteria & Plan Objectives
- IV. Research Methods
- V. Findings & Execution Strategies of Four Scenarios
- VI. Findings Summary
- VII. Next Steps





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Dollarway School District Context and History

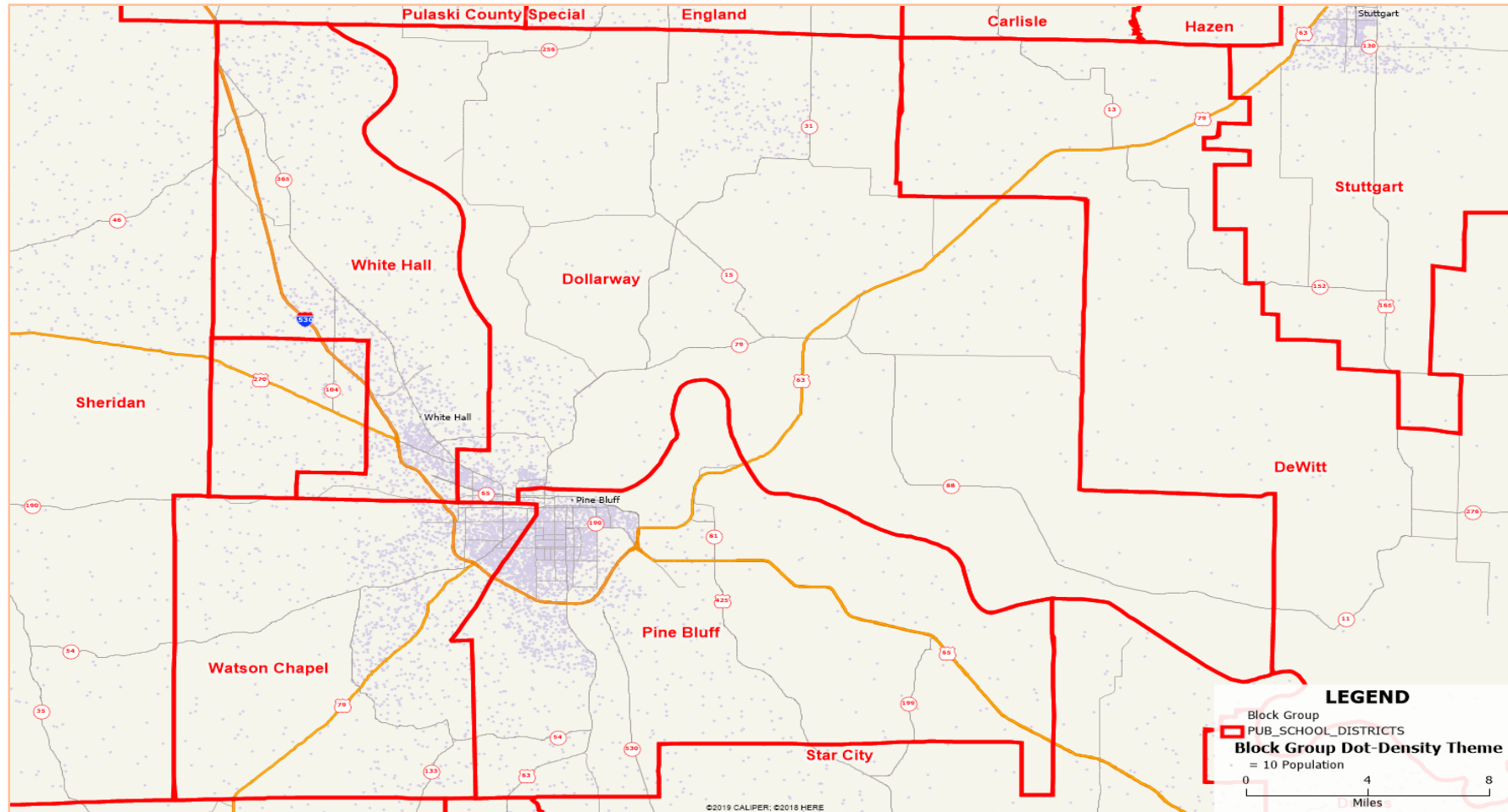
Dollarway School District Context

- Jefferson County, Arkansas
- Located northwest of the city of Pine Bluff, Arkansas
- 2020/21 student enrollment: 921



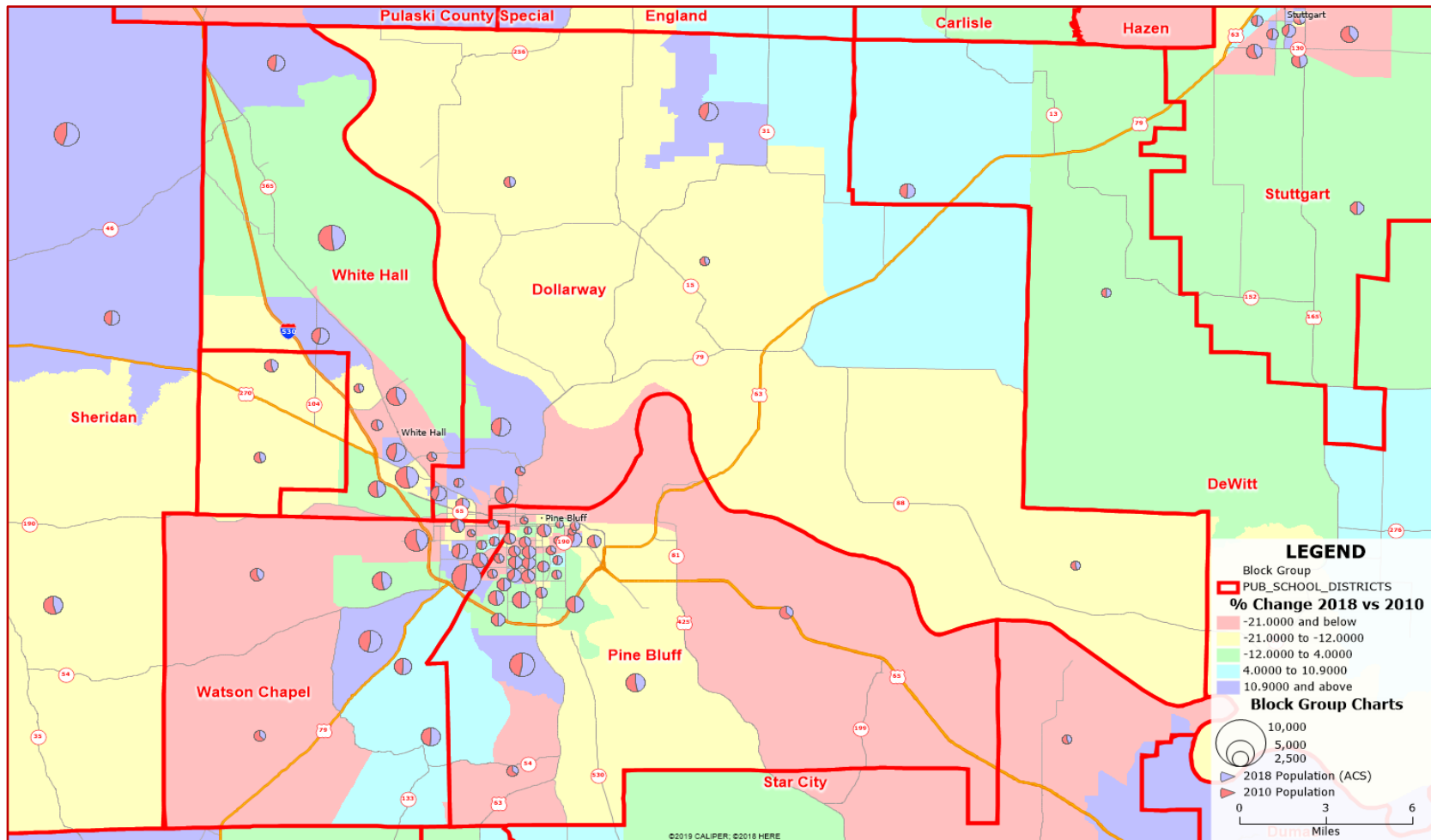
Jefferson County, AR

School District Boundaries and Population Density



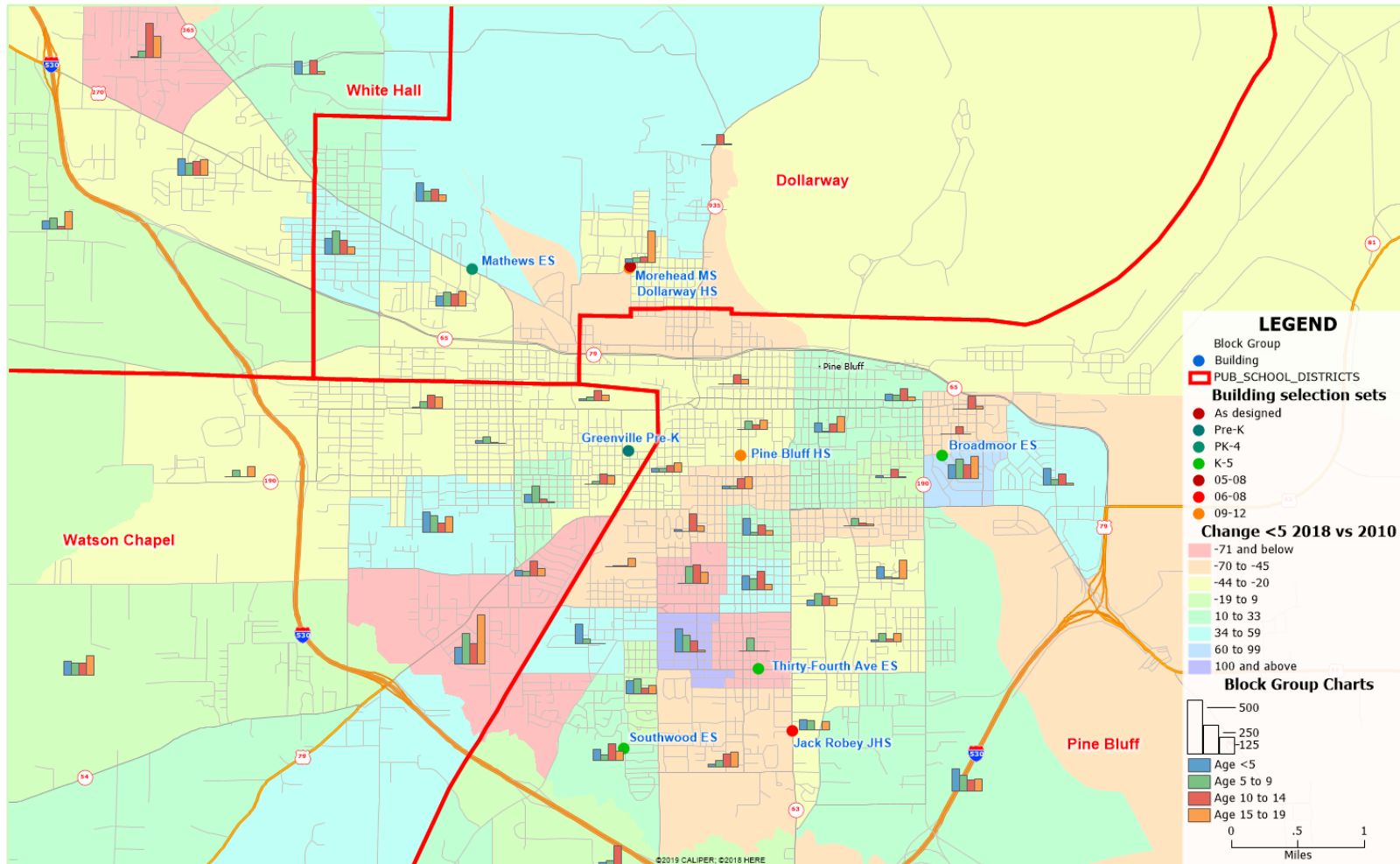
Jefferson County, AR

School District Boundaries and Population Change, 2010 vs. 2018



Jefferson County, AR

Regional School Location and Student Population Makeup, 2018



Dollarway School District Context — Financial

DISTRICT PROFILE	2015/16	2016/17	2017/18	2018/19	2019/20
Superintendent	P. Hughey/ B. Warren	Barbara Warren	Barbara Warren	Barbara Warren	Barbara Warren
Assessment	\$160,204,634	\$106,570,005	\$111,638,503	\$119,925,481	\$125,826,625
Total Mills	40.80	40.80	40.80	40.80	40.80
Total Debt Bond/Non-Bond	\$14,040,000	\$14,310,000	\$13,850,000	\$13,280,000	13,280,000

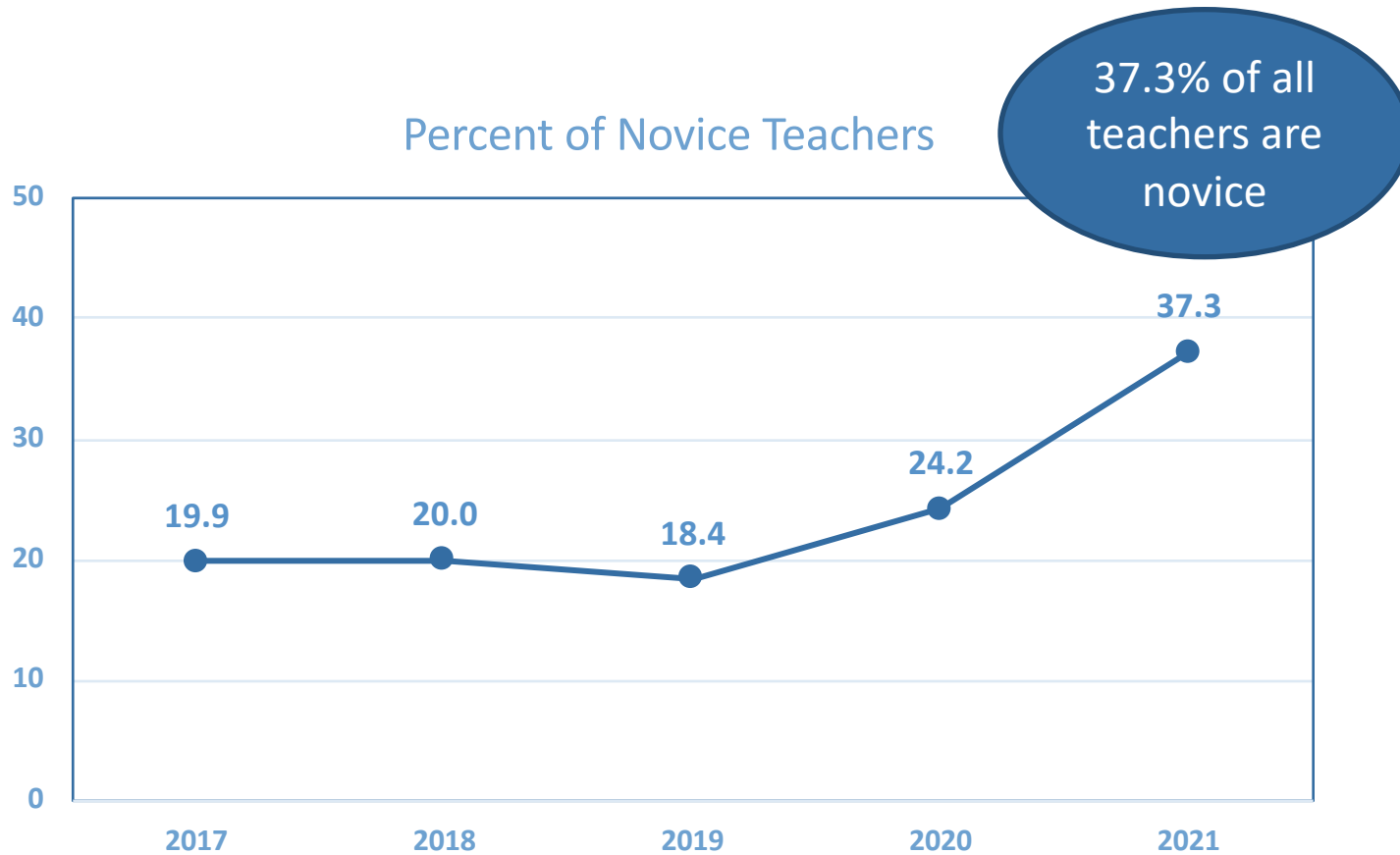


Dollarway School District Context — Staffing

DISTRICT PROFILE	2015/16	2016/17	2017/18	2018/19	2019/20
Per Pupil Expenditures	\$12,550	\$12,769	\$14,476	\$15,379	\$16,080
Personnel Non-Fed Licensed FTE	109.7	85.0	80.7	85.2	85.0
Personnel Non-Fed Licensed Classroom FTE	97.6	76.6	71.8	75.1	75.5
Average Salary Non-Fed Licensed FTE	\$44,265	\$48,119	\$48,360	\$48,653	\$48,811
Average Salary Non-Fed Licensed Classroom FTE	\$41,572	\$44,383	\$45,277	\$45,464	\$45,629



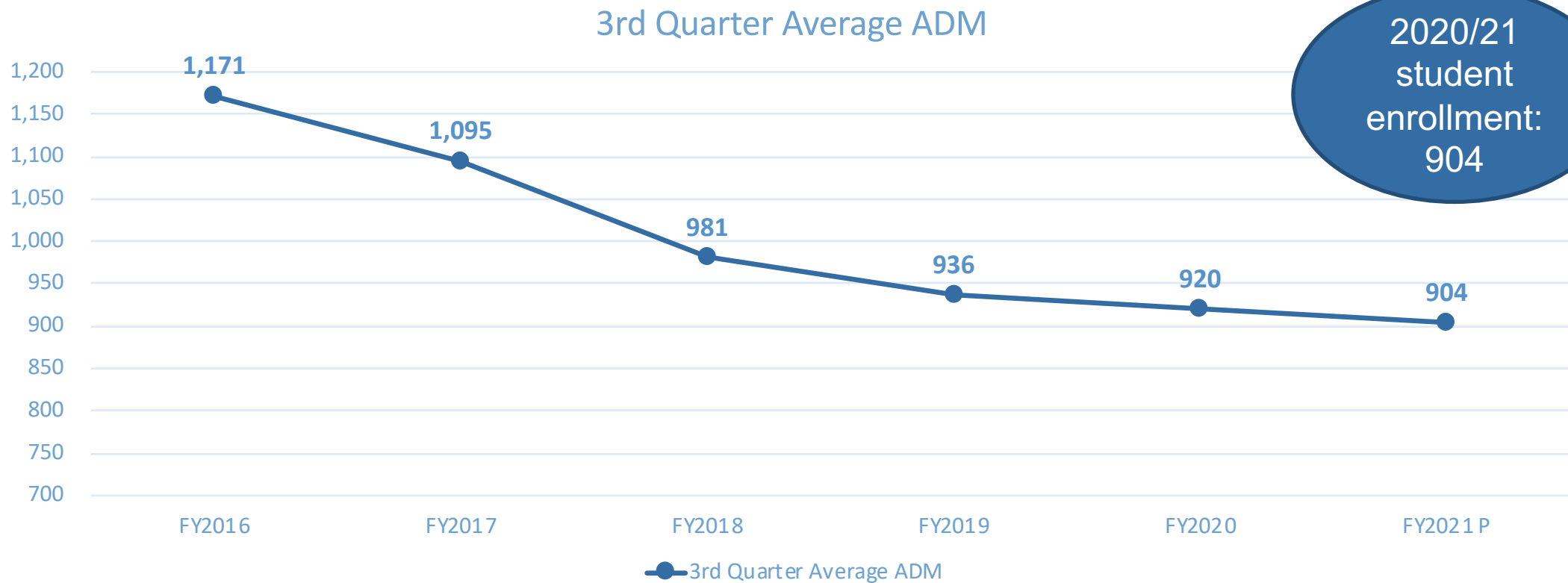
Dollarway School District Context – Educator Workforce



- 12.9% of teachers are on an Emergency Teaching Permit
 - 181 courses taught by a teacher with ETP
 - 62 courses taught by an approved long-term substitute

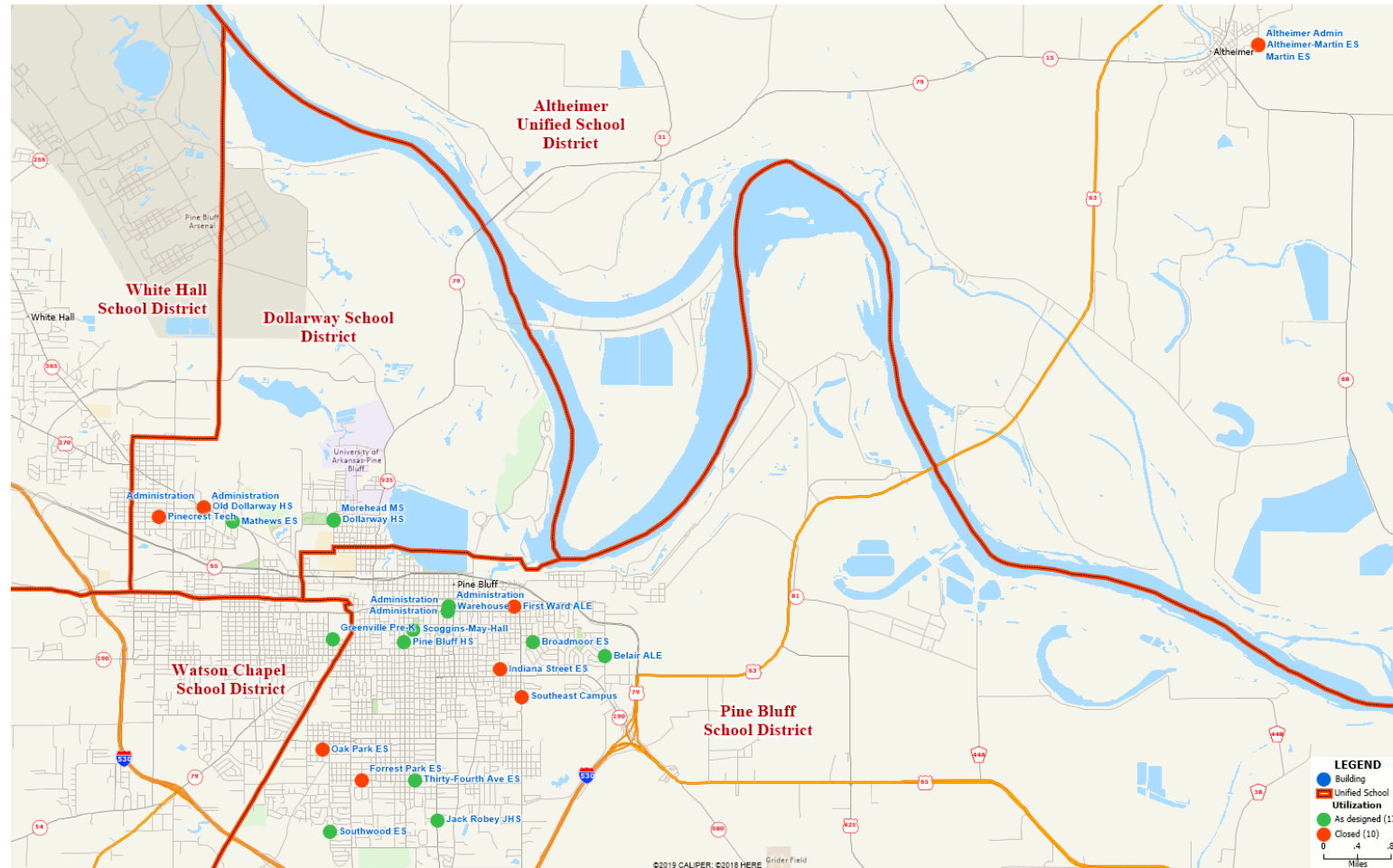


Dollarway School District Context — Enrollment



Jefferson County, AR

Open and Closed School Campuses



James Matthews Elementary School

SCHOOL PROFILES	2018/19 ENROLLMENT	2018/19 GRADE SPAN	2018/19 FRPL MEALS (%)	2018/19 LARGEST DEMOGRAPHIC CATEGORY	2018/19 CERTIFIED TEACHERS (#)
Matthews Elementary	340	PreK–4th	96%	African American (87.7%)	24



Robert F. Morehead Middle School

SCHOOL PROFILES	2018/19 ENROLLMENT	2018/19 GRADE SPAN	2018/19 FRPL MEALS (%)	2018/19 LARGEST DEMOGRAPHIC CATEGORY	2018/19 CERTIFIED TEACHERS (#)
Morehead Middle	287	5th–8th	93%	African American (91.7%)	24



Dollarway High School

SCHOOL PROFILES	2018/19 ENROLLMENT	2018/19 GRADE SPAN	2018/19 FRPL MEALS (%)	2018/19 LARGEST DEMOGRAPHIC CATEGORY	2018/19 CERTIFIED TEACHERS (#)
Dollarway High	273	9th–12th	90%	African American (95.6%)	44



Dollarway School District — Previous State Action

Prior to 2015

- Altheimer SD consolidated in 2006
- Previous state action due to Standards for Accreditation violations in 2010-2011 and 2011-2012
- Reconstituted on 6-11-2012 (State Authority)
- In June 2014, after no violations in the 2012-13 and 2013-14 school years, the school district was removed from state control
- Altheimer Campus closed in 2013



Dollarway School District — State Authority

- 12/10/2015 — Placed under State Authority for Academic Distress by SBE
- 2017 — The Arkansas Educational Support and Accountability Act (AESAA) & related DESE rules¹
- Level 5 Exit Plan²
- Level 5 District Plan of Support³
- DESE Quarterly Monitoring Reports to SBE⁴

¹ AR Code § 6-15-2901, et seq.; DESE related rules.

² AR Code § 6-15-2917.

³ AR Code § 6-15-2914.

⁴ AR Code § 6-15-2917.



Dollarway School District — Fiscal Distress

- The Arkansas Fiscal Assessment and Accountability Program, DESE rules¹
- April 2016 — Classified as School District in Fiscal Distress
- Fiscal Distress Plan²

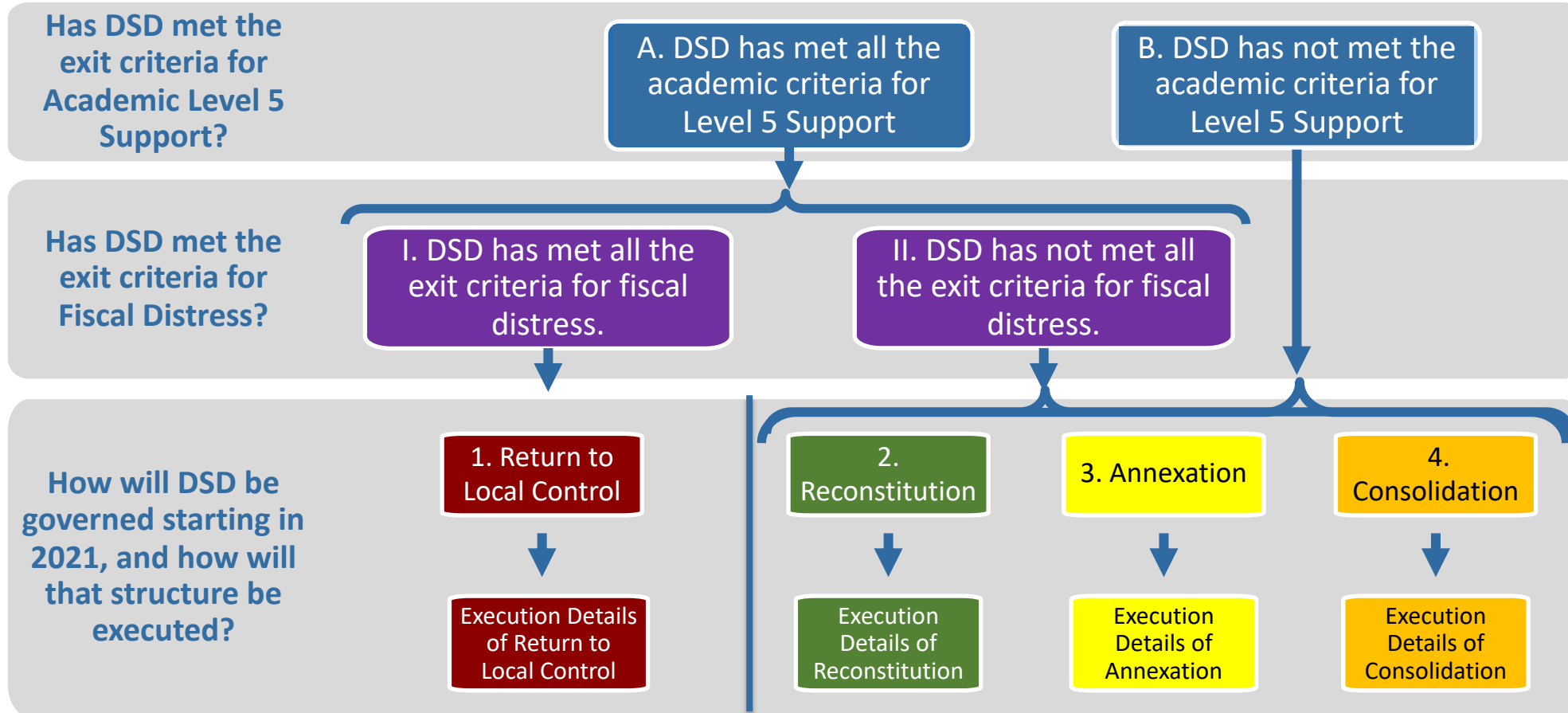




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SBE Decision Overview

Arkansas State Board of Education Decision Tree



Possible Scenarios for Dollarway School District

1. Return to Local Control

DSD will be governed by a locally elected or appointed school board.

2. Reconstitution

DSD will be governed differently — in a manner decided by the State Board of Education — to maintain progress toward improvement.

3. Annexation

DSD will become part of another school district. The other school district will maintain leadership over schools previously within the Dollarway School District.

4. Consolidation

DSD and one or more other school district(s) will merge and become a new, larger school district. The districts will combine operations, assets, and leadership and will operate under one unified strategy.



Additional Consideration:

Can Dollarway continue under State control?

- SBE must determine if Level 5 Exit Criteria under The Arkansas Educational Support and Accountability Act (AESAA) was met.
- If it is found that the district did not meet Level 5 Exit Criteria, then the SBE must act.
- The State does not have the authority to continue State control for AESAA beyond five years.



Discussion Guide

Has DSD met all the academic criteria for Level 5 Support?

Has DSD met the exit criteria for Academic Level 5 Support?

A. DSD has met all the academic criteria for Level 5 Support

B. DSD has not met the academic criteria for Level 5 Support

ACADEMIC DISTRESS/ LEVEL 5 - INTENSIVE SUPPORT		
Exit Criteria	Evidence of Meeting Criteria	Evidence of Not Meeting Criteria
Indicator 1. Collaborative teams regularly interact to address common issues regarding curriculum, assessment, instruction, and the achievement of all students.		
Indicator 2. The school is aware of and monitors predominant instructional practices.		
Indicator 3. The school provides teachers with clear, ongoing evaluations of their pedagogical strengths and weaknesses that are based on multiple sources of data and are consistent with student achievement data.		





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Review of Progress Toward Exit Criteria and Plan Objectives

**Has Dollarway School District Met Level
5 - Intensive Support Exit Criteria for
Academics?**



Evaluation & Rating Method

Rating System for Level 5 Exit Criteria

- Minimal Progress (Rating = 1)
- Partially Met with Direct Support (Rating = 2)
- Met with Direct Support (Rating = 3)
- Met with Independence (Rating = 4)



Evidence for Level 5 State Authority Exit Criteria¹

Indicator 1: Collaborative teams regularly interact to address common issues regarding curriculum, assessment, instruction, and the achievement of students.

Obj.	Criteria	Rating
1.1	Collaborative Teams meet weekly and spend 90% of their meeting time discussing and working on curriculum, instruction, and assessment.	2.66
1.2	School and district leaders regularly examine PLC collaborative teams' progress toward their goals.	2.66
1.3	The schools have schedules that allow for collaborative teams within the contractual day.	4.00
1.4	The school has outlined a specific collaborative process to guide teams in their work.	2.66
Total:	3.00	

¹ The Arkansas Educational Support and Accountability Act (AESSA) & related DESE rules govern LEAs standards for performance. In the event LEAs are classified as being in need of Level 5- Intensive Support, the following provisions apply for the plan, monitoring, and reporting on progress: District & School Plans of Support (AR Code § 6-15-2914); Level 5 Exit Plan (AR Code § 6-15-2917); DESE Quarterly Monitoring Reports to SBE (AR Code § 6-15-2917)



Evidence for Level 5 State Authority Exit Criteria¹

Indicator 2: The school is aware of and monitors predominant instructional practices

Obj.	Criteria	Rating
2.1	Schools in consultation with the district have established expectations of predominant instructional practices.	2.00
2.2	Data from classroom observations are aggregated at school level to show the predominant instructional practices being implemented.	2.00
2.3	School leaders provide forthright feedback on an individual's teaching practices, as evident in the TESS Software.	3.00
2.4	School and district leaders can clearly identify the predominant practices across the entire school and district and the instructional practices they do not want to see used predominantly.	2.00
Total:	2.25	

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Evidence for Level 5 State Authority Exit Criteria¹

Indicator 3: The school provides teachers with clear, ongoing evaluations of their pedagogical strengths and weaknesses that are based on multiple sources of data and are consistent with student achievement data.

Obj.	Criteria	Rating
3.1	The school leaders have a schedule indicating frequent observations and feedback to teachers. This schedule and feedback is monitored at the district level, as evidenced by the TESS/LEADS software.	2.66
3.2	School leaders base teacher feedback on multiple sources of information, including the use of highly specific rubrics for observation, self-reflections, and other data.	3.00
3.3	Each teacher's Professional Growth Plan is personalized and is created based on feedback from school leaders. The PGP provides opportunity for career development or addresses areas of deficiency but is targeted to meet the needs of the teacher's career development.	3.00
Total:	2.89	

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Evidence for Level 5 State Authority Exit Criteria¹

Indicator 4: The school curriculum and accompanying assessments adhere to state and district standards.

Obj.	Criteria	Rating
4.1	The school has curriculum documents in place that correlate the written curriculum with the state standards and expectations of the district.	3.00
4.2	The school has documentation that examines the extent to which assessments accurately measure the written and taught curriculum and student progress.	2.33
4.3	Curriculum maps are in place referencing the specific standards addressed during specific time frames in the school year.	3.00
4.4	Collaborative teams meet regularly to analyze the essential content, written and taught curriculum, and assessments.	2.33
4.5	The district has a plan to monitor that this work is being completed.	2.00
Total:	2.53	

¹ The Arkansas Educational Support and Accountability Act (AESSA) & related DESE rules govern LEAs standards for performance. In the event LEAs are classified as being in need of Level 5- Intensive Support, the following provisions apply for the plan, monitoring, and reporting on progress: District & School Plans of Support (AR Code § 6-15-2914); Level 5 Exit Plan (AR Code § 6-15-2917); DESE Quarterly Monitoring Reports to SBE (AR Code § 6-15-2917)



Evidence for Level 5 State Authority Exit Criteria¹

Indicator 5: The school manages its fiscal, operational, and technological resources in a way that directly supports teachers to provide a safe, supportive, and collaborative culture and increase student achievement.

Obj.	Criteria	Rating
5.1	All teachers have the resources they need to teach effectively.	2.66
5.2	The school leader accesses and leverages multiple resources and funds to support the work of the teachers.	3.00
5.3	The school-level budgets are developed, and protocols are in place to maximize teacher access to resources for teaching and learning.	3.00
5.4	The school schedule is designed to maximize opportunities for teaching and learning.	2.00
5.5	The district has a plan to assist schools in a streamlined and effective manner that helps to maximize opportunities for teaching and learning.	2.00
Total:	2.53	

¹ The Arkansas Educational Support and Accountability Act (AESSA) & related DESE rules govern LEAs standards for performance. In the event LEAs are classified as being in need of Level 5- Intensive Support, the following provisions apply for the plan, monitoring, and reporting on progress: District & School Plans of Support (AR Code § 6-15-2914); Level 5 Exit Plan (AR Code § 6-15-2917); DESE Quarterly Monitoring Reports to SBE (AR Code § 6-15-2917)



Evidence for Level 5 State Authority Exit Criteria¹

Criteria	Rating
Indicator 1: Collaborative teams regularly interact to address common issues regarding curriculum, assessment, instruction, and the achievement of students.	3.00
Indicator 2: The school is aware of and monitors predominant instructional practices.	2.25
Indicator 3: The school provides teachers with clear, ongoing evaluations of their pedagogical strengths and weaknesses that are based on multiple sources of data and are consistent with student achievement data.	2.89
Indicator 4: The school curriculum and accompanying assessments adhere to state and district standards.	2.53
Indicator 5: The school manages its fiscal, operational, and technological resources in a way that directly supports teachers to provide a safe, supportive, and collaborative culture and increase student achievement.	2.53
Overall Rating	2.64

Rating System

- 1 = Minimal Progress
- 2 = Partially Met with Direct Support
- 3 = Met with Direct Support
- 4 = Met with Independence

¹ The Arkansas Educational Support and Accountability Act (AESSA) & related DESE rules govern LEAs standards for performance. In the event LEAs are classified as being in need of Level 5- Intensive Support, the following provisions apply for the plan, monitoring, and reporting on progress: District & School Plans of Support (AR Code § 6-15-2914); Level 5 Exit Plan (AR Code § 6-15-2917); DESE Quarterly Monitoring Reports to SBE (AR Code § 6-15-2917)





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Discussion

Has Dollarway School District Met Exit Criteria for Fiscal Distress?



Evaluation & Rating Method

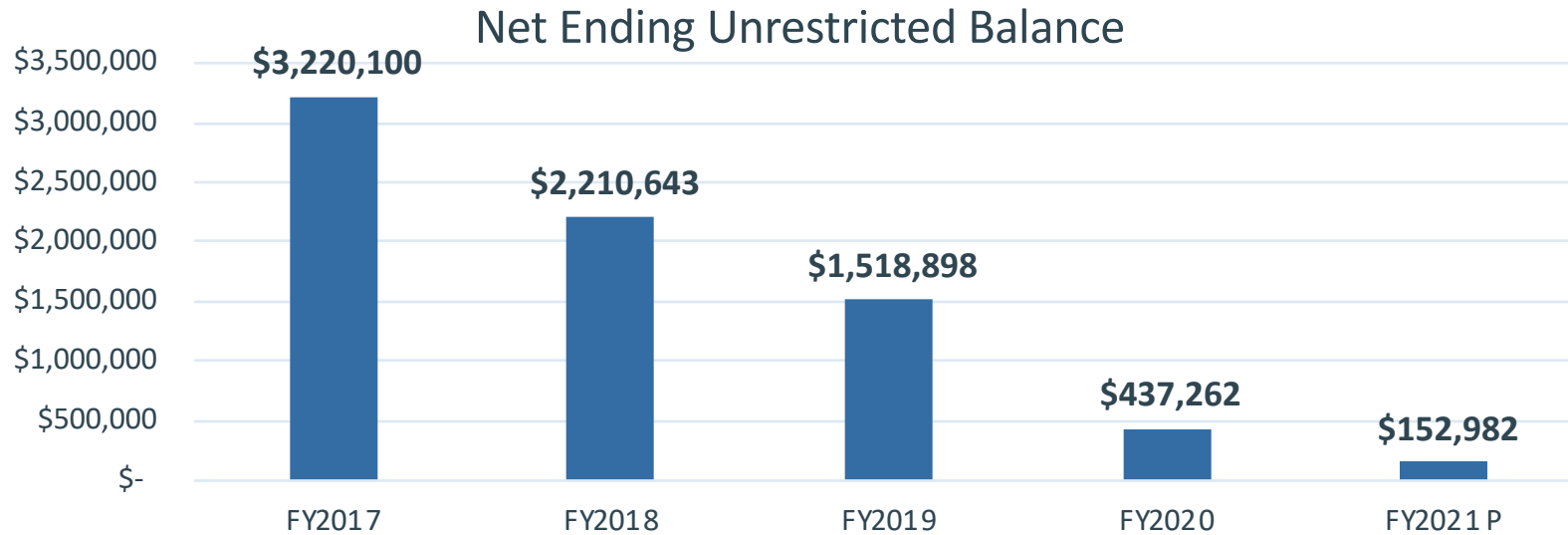
Rating System for Fiscal Distress Criteria

- Minimal Progress (Rating = 1)
- Partially Met with Direct Support (Rating = 2)
- Met with Direct Support (Rating = 3)
- Met with Independence (Rating = 4)



Evidence for Fiscal Distress Identification

Indicator 1: A declining balance that jeopardizes the fiscal integrity of a school district¹



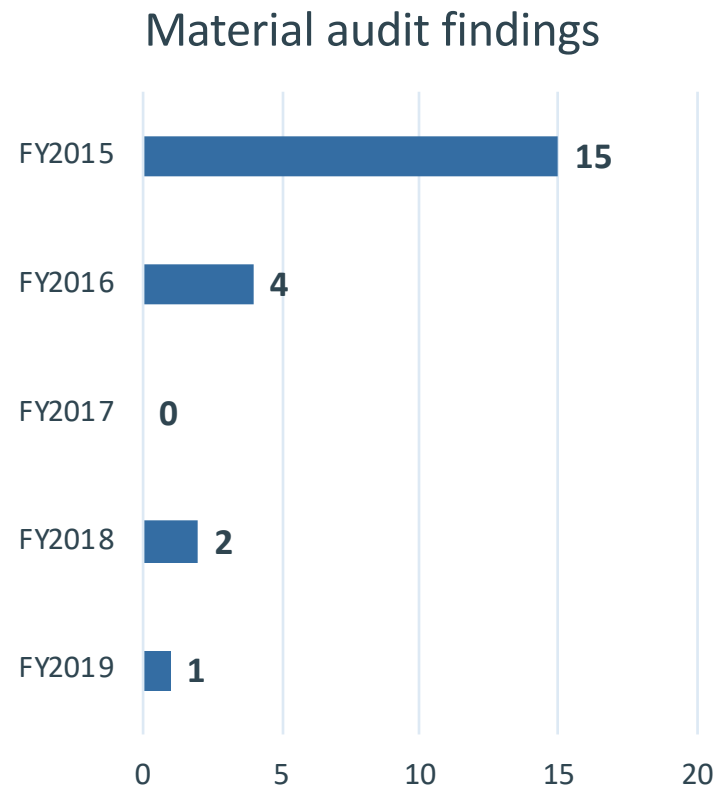
Fiscal Year Revenues	\$10.8M	\$11.0M	\$11.1M	\$9.3M	\$9.6M
Fiscal Year Expenditures	\$10.7M	\$12.1M	\$11.7M	\$10.4M	\$9.9M
Net Ending Balance as % of Expenditures	30.0%	18.3%	12.9%	4.2%	1.6%

¹ Dollarway met two fiscal distress indicators set forth in Ark. Code Ann. § 6-20-1904. The calculation of the balance does not include fund transactions for Building, Categorical, Federal, Activity, or Food Service Funds.



Evidence for Fiscal Distress Identification

Indicator 2: Act or violation determined to jeopardize the fiscal integrity of a school district. Dollarway School District had material audit exceptions and related violations¹



Some of the notable FY2015 audit findings² include, but are not limited to:

- Deficiencies in internal controls that affect the ability of the school district to initiate, authorize, record, process, and report financial information
- Misstatements of financial position not detected by internal control systems
- Significant deficiencies detected in federal title and food service programs, including reporting and allowable costs/cost principles

¹ Dollarway met two fiscal distress indicators set forth in Ark. Code Ann. § 6-20-1904. The calculation of the balance does not include fund transactions for Building, Categorical, Federal, Activity, or Food Service Funds.

² Dollarway School District. Fiscal Year 2015 Independent Audit. <https://www.arklegaudit.gov/pdf.aspx?id=EDSD18915>



Evidence for Fiscal Distress Exit Criteria¹

The Fiscal Distress plan contains 13 plan objectives, including:

Obj.	Plan Objective	Result
1	Review all employee contracts. Verify contracts tie to approved salary/stipend schedules and that employees are performing jobs listed on contracts. Verify contracts to eFinance.	3
2	Review staffing in relation to ADM. Determine what positions can be eliminated through retirement, resignation, or RIF, if necessary.	2
3	Review all vendor contracts and determine necessity and value/cost.	3
4	Review use and condition of all buildings to determine need and if rent or sale is an option.	2

¹ Under Ark. Code Ann. § 6-20-1906, on April 14, 2016, the Arkansas State Board of Education classified the Dollarway School District as a school district in fiscal distress. 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.



Evidence for Fiscal Distress Exit Criteria¹

Obj.	Plan Objective	Rating
5	Review condition of buses and transportation cost and implement a plan for future purchase/lease.	3
6	Review all utilities and maintenance expense to determine if cost savings are available.	3
7	Review audits, correct findings, and put in place safeguards to prevent repeat findings. Provide training to staff to ensure compliance.	3
8	RIF Certified Positions	2
9	RIF Classified Positions	2

¹ Under Ark. Code Ann. § 6-20-1906, on April 14, 2016, the Arkansas State Board of Education classified the Dollarway School District as a school district in fiscal distress. 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.



Evidence for Fiscal Distress Exit Criteria¹

Obj.	Plan Objective	Rating
10	Analyze Legal expenditures and develop a plan to reduce costs	4
11	Supervision and Monitoring of Compliance with the Arkansas Financial Accounting Manual	4
12	Supervision and Monitoring of timely payment of accounts payables	3
13	Reverse the declining balance identified by ADE as jeopardizing the fiscal integrity of the school district and build a legal balance equal to 10–20% of annual expenditures.	1
Overall Average		2.69

¹ Under Ark. Code Ann. § 6-20-1906, on April 14, 2016, the Arkansas State Board of Education classified the Dollarway School District as a school district in fiscal distress. 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.



DESE Recommendation based on Exit Criteria

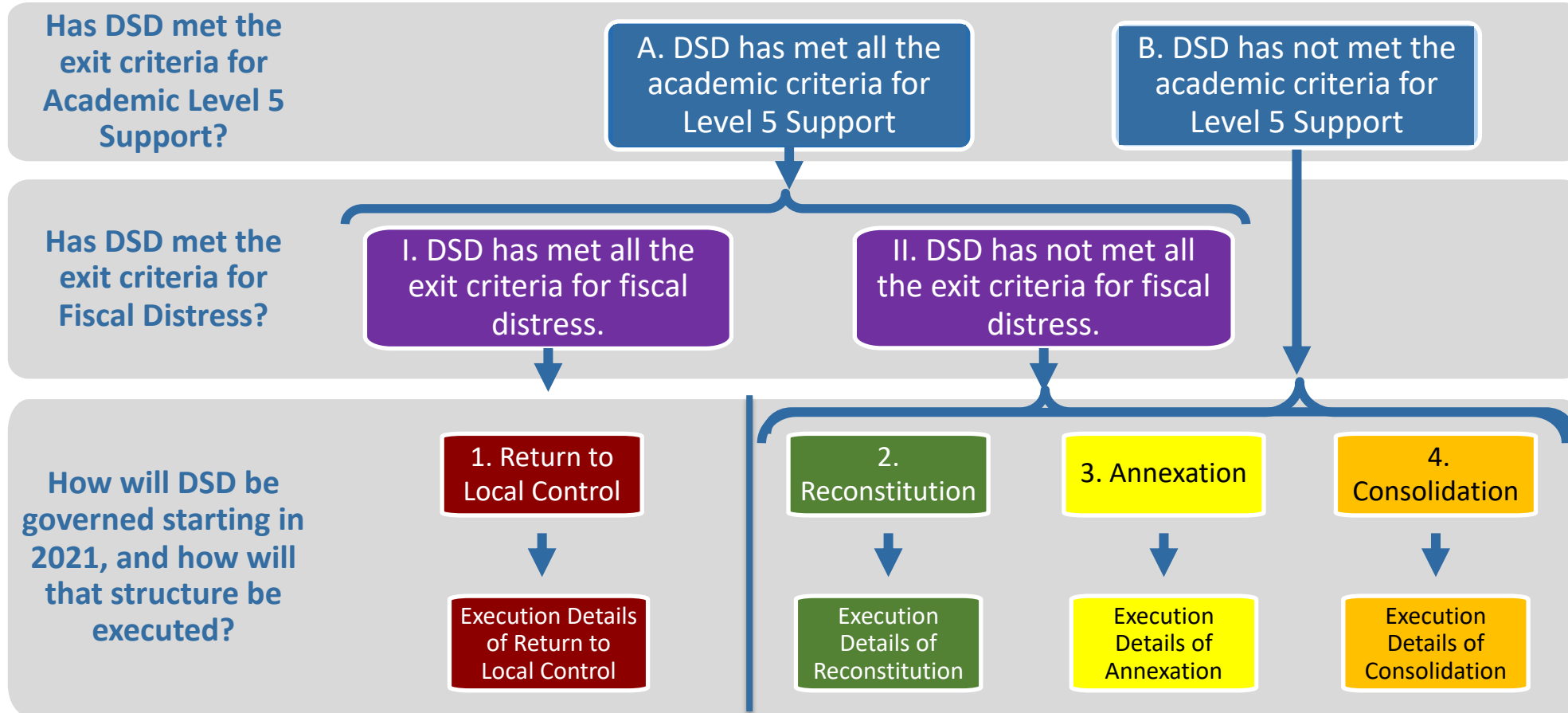
- Level 5 State Authority Exit Criteria
 - Overall Rating of 2.64
- Fiscal Distress Classification
 - Indicator 1: Declining balance that jeopardizes the fiscal integrity of a school district
 - Indicator 2: Material Audit Findings



Dollarway Exit Criteria



Arkansas State Board of Education Decision Tree





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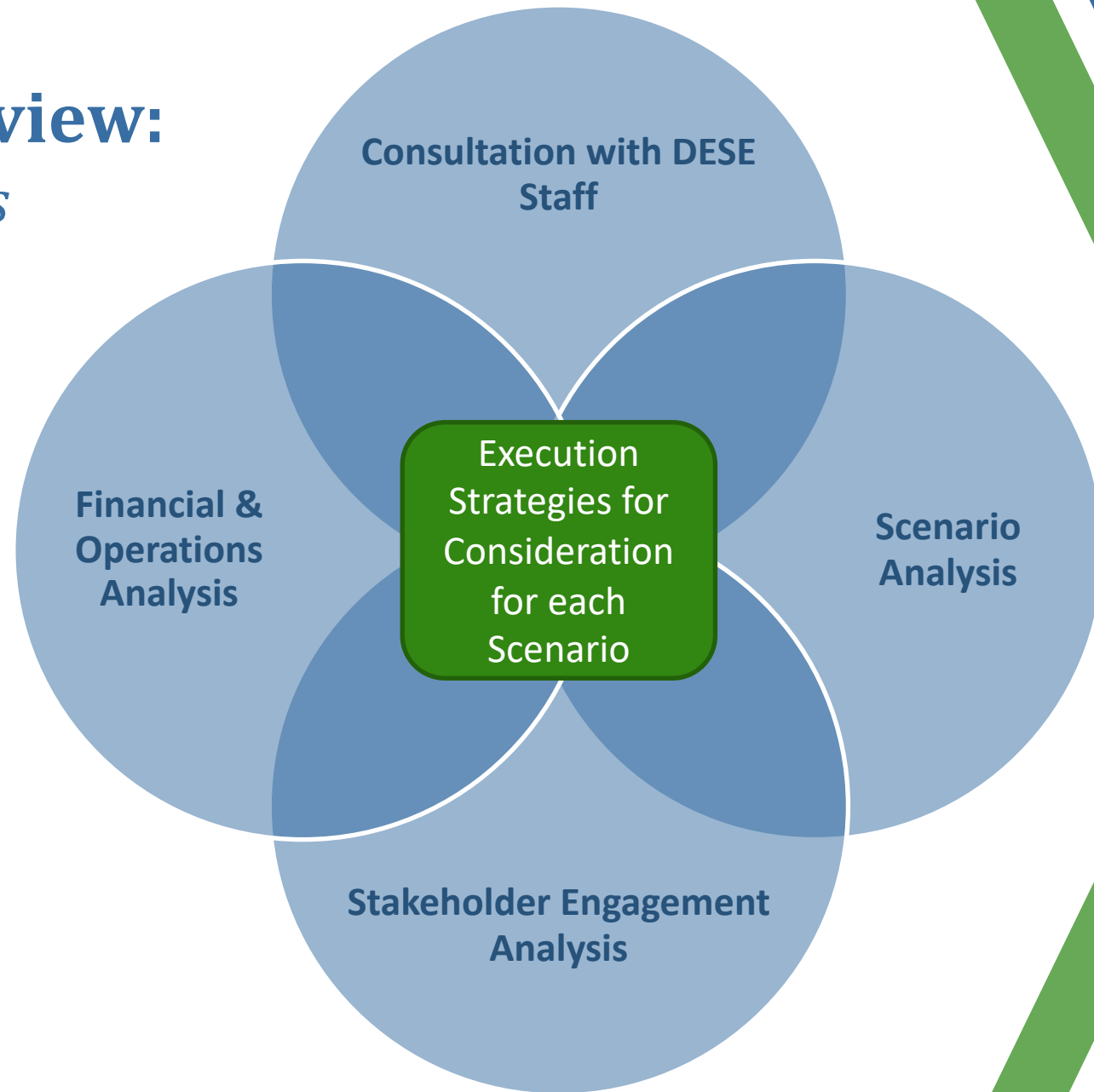
Discussion

Research Methods

Methodology Overview:

Elements of the Analysis

Consideration of each element of analysis was given to produce the options for consideration within each scenario.



Methodology Overview:

Elements not included in the analysis

- Impact analysis of the annexation and consolidation of Dollarway with other Jefferson County school districts beyond Pine Bluff (e.g., White Hall, Watson-Chapel)
- Implications, analysis, and use of CARES Act funding and flexibilities or other one-time federal funds
- Fiscal and operational impact of suggestions raised during stakeholder input sessions

Scenario Analysis



Possible Scenarios for Dollarway School District

1. Return to Local Control

DSD will be governed by a locally elected or appointed school board.

2. Reconstitution

DSD will be governed differently — in a manner decided by the State Board of Education — to maintain progress toward improvement.

3. Annexation

DSD will become part of another school district. The other school district will maintain leadership over schools previously within the Dollarway School District.

4. Consolidation

DSD and one or more other school district(s) will merge and become a new, larger school district. The districts will combine operations, assets, and leadership and will operate under one unified strategy.

Overview of Scenario Analysis

Reviewed:

- State law; DESE rules; previous SBE agendas, minutes, transcripts, and orders
- DSD Level 5 Exit Criteria, District Support Plan, and Fiscal Distress Plan
- DESE Quarterly and other Monitoring Reports

Created:

- Scenario matrix, decision tree, and discussion guide to facilitate process

Legal Time Line for State Board of Education Action

December 10, 2015

Dollarway School District (DSD) identified as being in academic distress

DSD placed under state authority

Supt. Warren appointed

2016–2020

Continued State Support

December 1, 2020

SBE Working Group Session

July 1, 2021
Effective date of SBE decision, unless determined otherwise by SBE

April 2016

DSD classified as being in fiscal distress

November 13, 2020

SBE Meeting

December 10, 2020

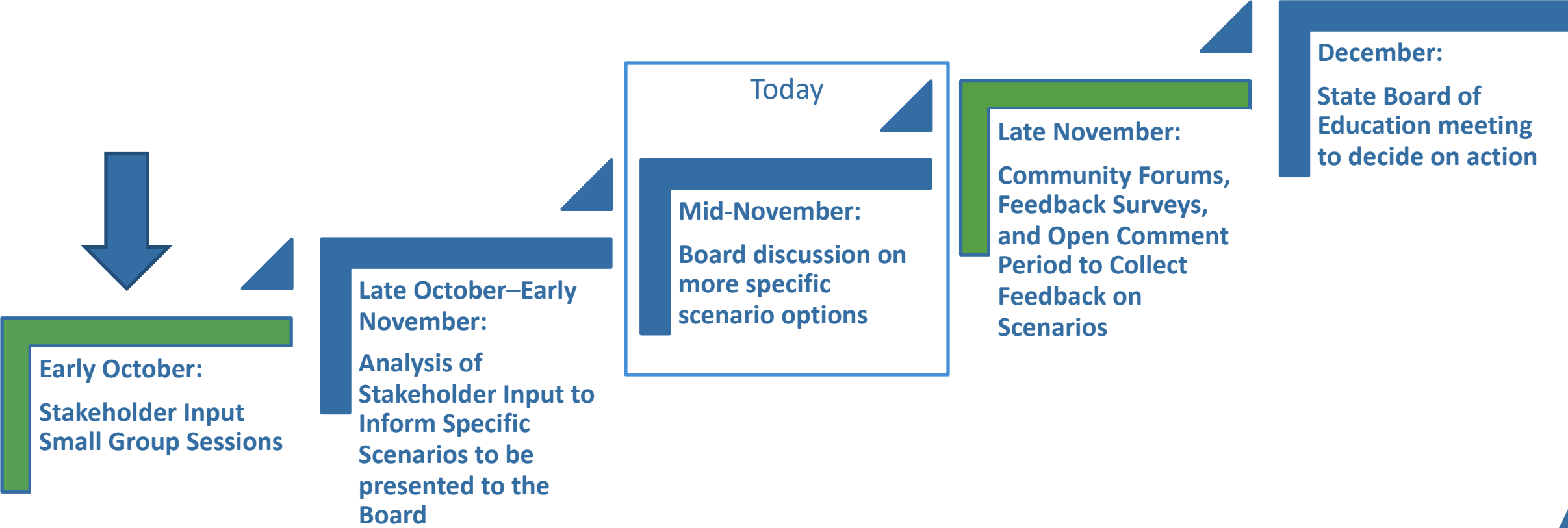
SBE Meeting to make decision on DSD

Stakeholder Input Analysis



Stakeholder Input Time Line:

Small Group Input Sessions



Stakeholder Engagement: Phase 1 Meetings

Design

Meetings held Oct. 5–13

20 one-hour virtual sessions on Zoom planned

Role-alike groupings of 1–6

Recorded sessions

Facilitated by WestEd

Invites

11 role types invited, including teachers, administrators, parents, students, and community leaders

126 potential participants received personalized phone calls and emails to invite

Information was posted on Dollarway SD website, and all participants and invitees were given tools to spread the word

74 participants confirmed via online registration form and were given **2–6** reminders or opportunities to reschedule

Results

All **11** role types were represented, including # teachers, # students, and # administrators

13 meetings were conducted **October 6–16** at various times of day

33 participants took part in meetings; **4** participants sent responses electronically; **37 participants total**

25 participants completed a feedback survey about their experience

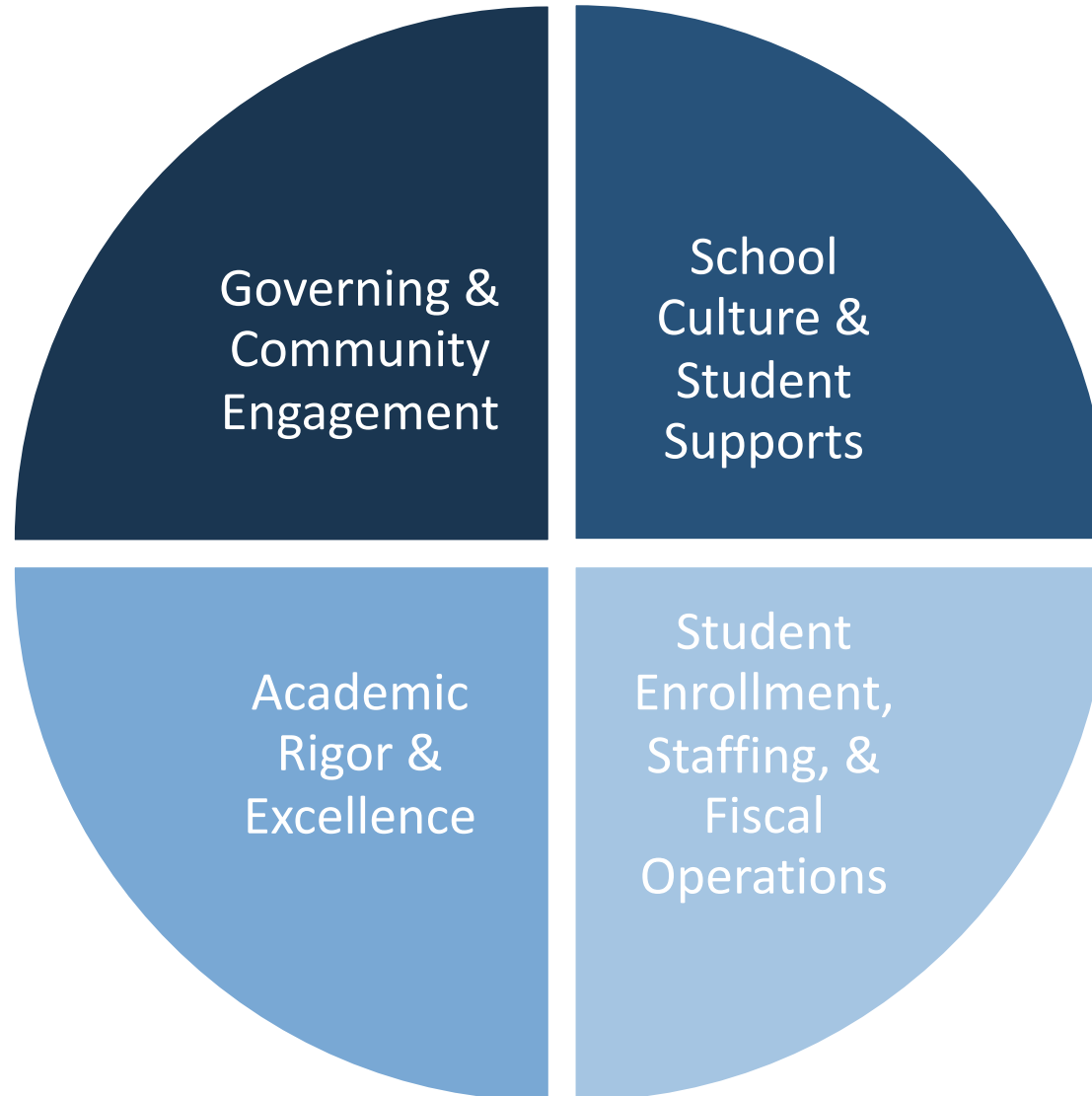
Phase 1 Input Session Design

Sessions Ran for 60 Minutes

- Introductions (not recorded for anonymity) (3 min)
- Introduction to context and options via DESE video (5 min)
- Explanation of participant input analysis, discussion norms, and confidentiality (2 min)
- Five discussion questions, with associated follow-ups as needed (45 min)
 1. What do you value about the Dollarway school system?
 2. In what ways have you seen Dollarway improve in the last five years? Why do you think those improvements happened?
 3. Five years from now, what do you hope will have changed or improved in Dollarway?
 4. Given the options that the State Board of Education has to choose from, what are your ideas for how Dollarway can successfully move forward?
 5. What would you advise the State Board of Education to consider when making this decision?
- Review of next stage of stakeholder feedback and follow up contact information (2 min)
- Request to complete short feedback survey (results presented in consequent slides) (3 min)

Dimensions of Effective School Management

Participants were asked to consider these four dimensions in their comments

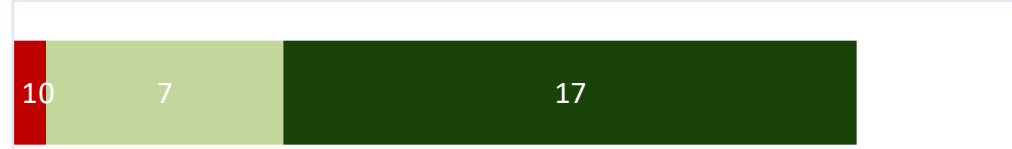


Phase 1 Stakeholder Meetings Feedback Survey Results

I believe that my input, and those of others who participate, will inform the Board of Education decision.



I understand the possible options for the upcoming Board of Education decision regarding Dollarway School District.



These community conversations were well organized and facilitated.



I was able to share my perspective about the Dollarway School District during the conversation.



■ Strongly Disagree
■ Disagree
■ Agree
■ Strongly Agree

N=25

Select* Additional Comments

“I pray the SBE makes their decision based on the what is "good enough" for their own children. Leaders should have their identities wrapped in equity for this process. Now is the time.”

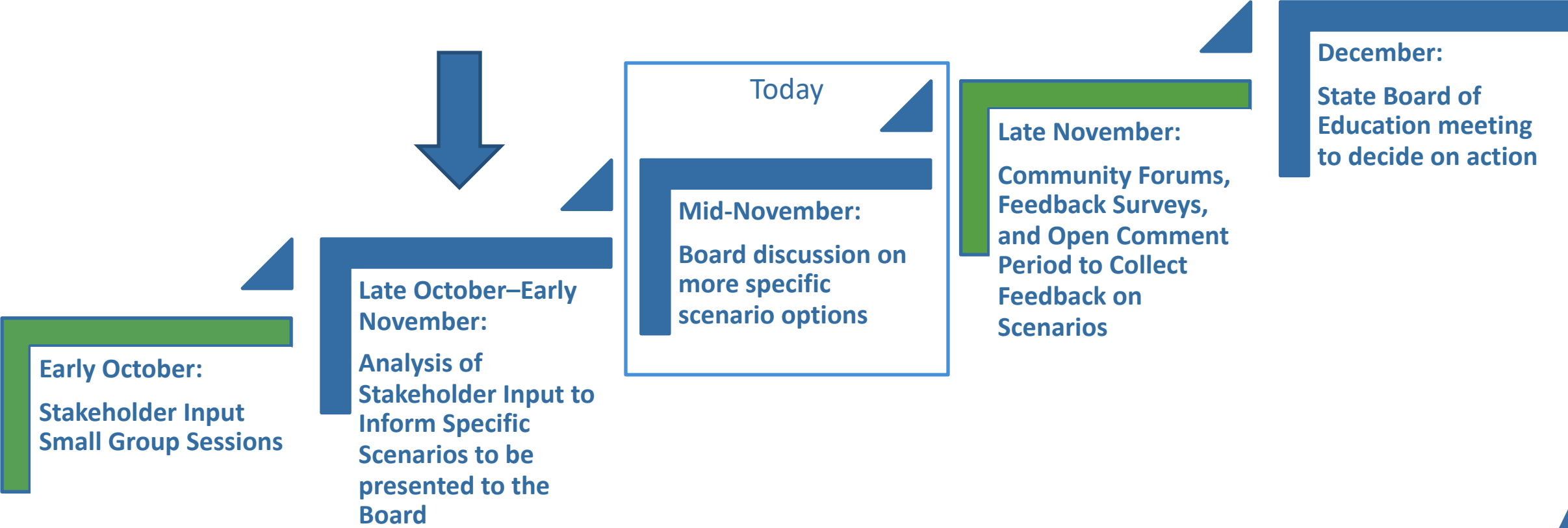
“I enjoyed being part of this meeting and I feel that my voice and the fellow attendees of the meeting voices were heard.”

“I want to thank you all for hearing Dollarway. It means a lot. I feel like there is a true effort in making sure the best decision possible is made for Dollarway.”

*These three comments represent the breadth of comments in an optional comment question. There were eight comments included in total.

Stakeholder Input Time Line:

Input Analysis



Input Analysis Process

1. Discussion portions of all sessions recorded and transcribed using Otter.AI software
2. Names and identifying information removed from the transcripts, transcriptions checked manually for transcription errors
3. High-level concepts identified by facilitators
4. Each comment coded with a conceptual tag, utilizing Atlas.ti software
5. Conceptual tags trends analyzed by role group and themes summarized
6. Data related to each scenario's effects or consequences separated, counted, and summarized
7. Quotes identified for this presentation based on representation of critical points and succinctness

Major Themes from Stakeholder Input* — Positive

Dollarway's culture has improved in the last 3 years.

93% of participants expressed this idea

Dollarway is a strong family-like community.

90% of participants expressed this idea

Dollarway's academic outcomes are rising.

90% of participants expressed this idea

Supt. Warren's leadership has brought about positive change.

57% of participants expressed this idea

Major Themes from Stakeholder Input* — Concerns

Dollarway's identity is critical to the community welfare.

90% of participants expressed this idea

Dollarway needs to offer additional services and programs for students.

73% of participants expressed this idea

Stakeholders want to have input on decision ahead.

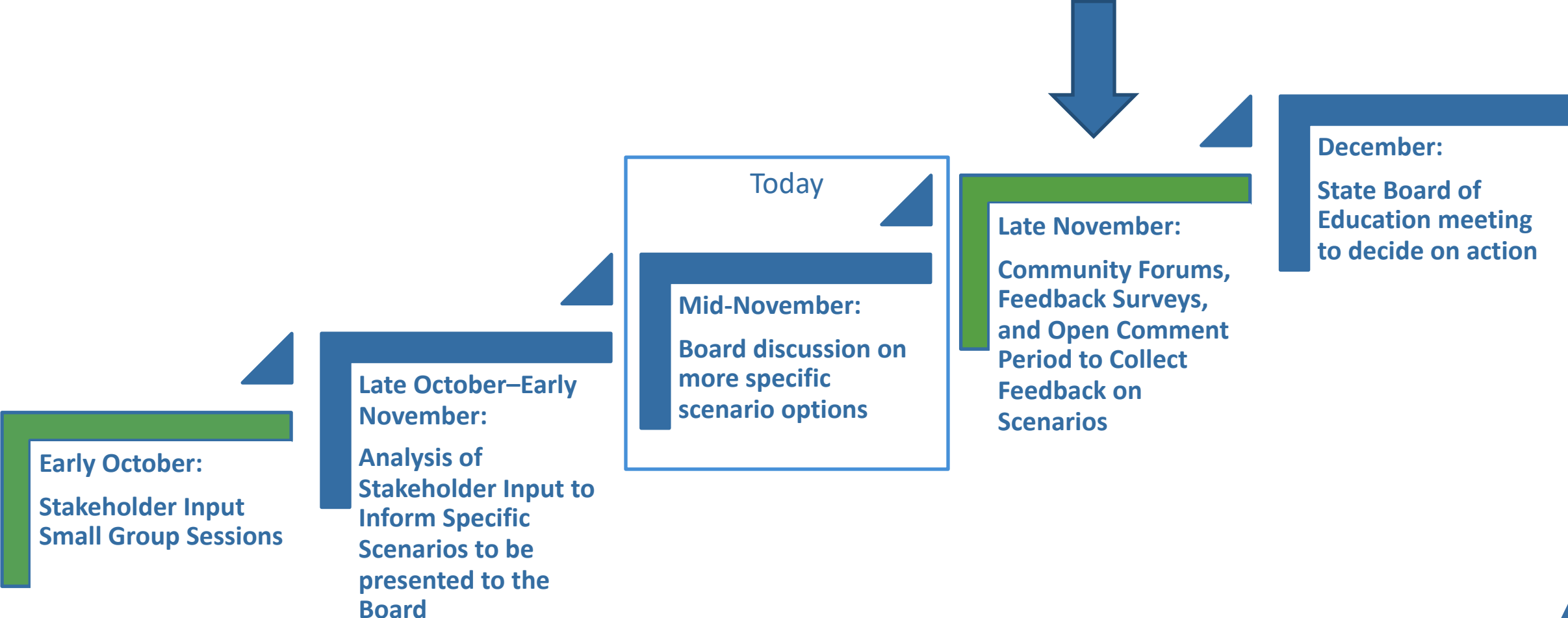
67% of participants expressed this idea

Dollarway is not ready to return to local control.

53% of participants expressed this idea

Stakeholder Input Time Line:

Phase 2 Plan



Stakeholder Engagement Plan: Phase 2

Open Public Forums

November 17 --20 (various times)
Four 60-minute virtual sessions
Open to anyone who would like to join
Opportunities for small group discussion and public comment
Asked to give feedback on each of the scenarios specifically

Feedback Survey

Open November 16– 25
15-minute online survey format, participants only identified by role
Open to all who would like to participate
Asked to give feedback on each of the scenarios specifically

Open Comment Period

Open November 16– 25
Anyone can submit written commentary via email or mail
Must be signed with a name or an organizational attribution
No format required or specific questions



Financial & Operations Analysis

Financial & Operations Analysis

- Return to Local Control scenario used as baseline for analysis
- Overview of Data & Implications Analyzed
 - 2015–2019 audit documentation, Fiscal Distress Plan including quarterly updates to the State Board of Education
 - Analysis of budget, time line, facilities, operations, staffing changes, incentive funding, transportation, and resulting cost savings



Financial Analysis: Methodology & Data Sources

Methodology

- Comparative financial analysis looking at future scenarios
- Assumptions applied would maximize cost efficiencies

Data Sources

- ADE public website
- DESE, Dollarway & Pine Bluff SD provided information
- Federal data sources, including U.S. Department of Education and U.S. Census Bureau

Financial Analysis: General Assumptions

- Environmental context considered, including economic activity, government contributions, and local businesses (e.g., Saracen casino)
- Only considered scenarios for both Dollarway SD and Pine Bluff SD
- Removes one-time federal funds (e.g., CARES Act funding, etc.)
- Where reasonable, additional funding is recognized in financial projections (e.g., opening of new casino, trigger of temporary, one-time state funds)

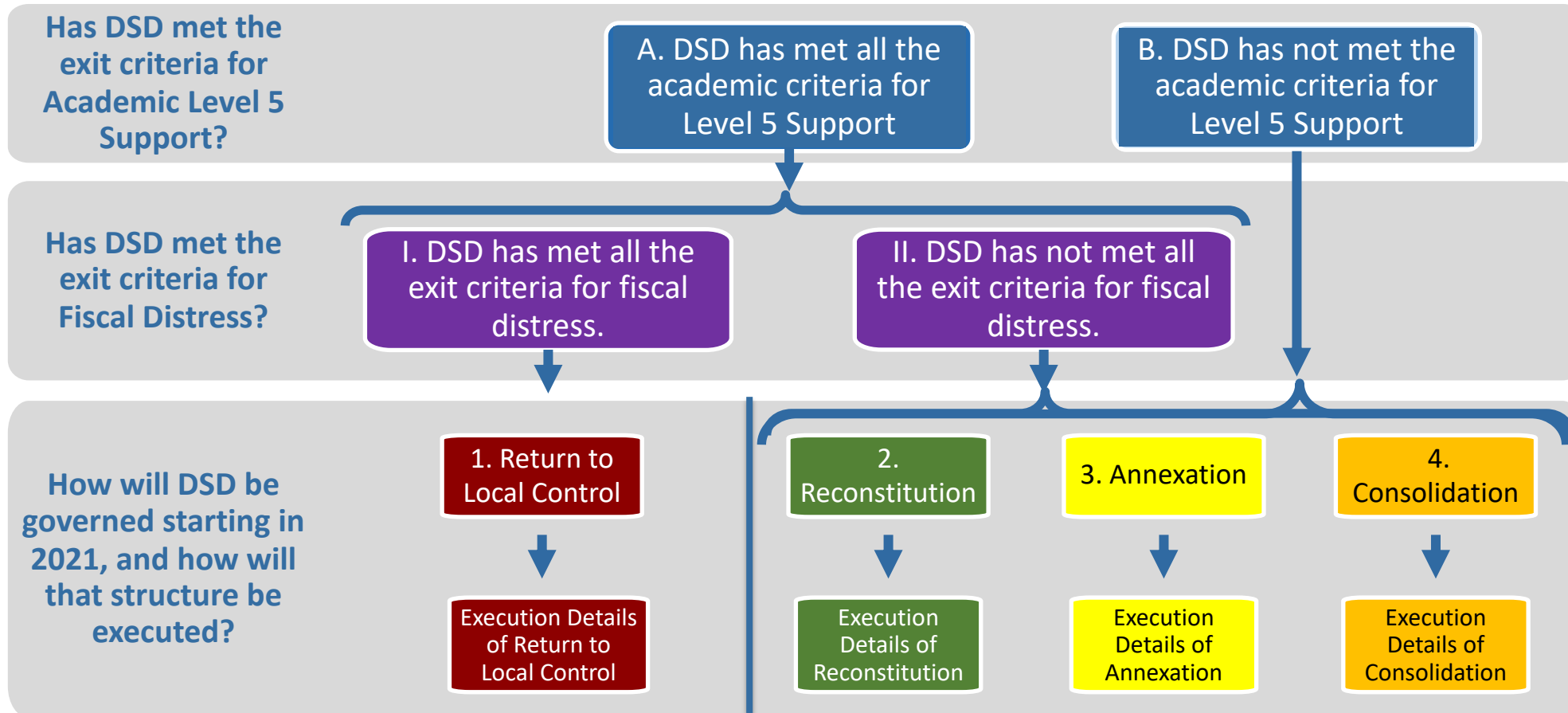
Financial Analysis: Key Spending Assumptions

- Examined labor costs aiming to identify overlap in positions, student to staff ratios, and salary and benefits variation.
- Identified possible efficiencies at the Central Office for reconstitution, annexation, and consolidation scenarios.
- Adjust salaries and benefits to match similar positions and experience
 - Consolidation — used the highest average salary and average contract days for each position and experience level.
 - Annexation — used Pine Bluff average salary and average contract days for each position and experience level.

Discussion

Findings & Execution Strategies of Four Scenarios

Arkansas State Board of Education Decision Tree

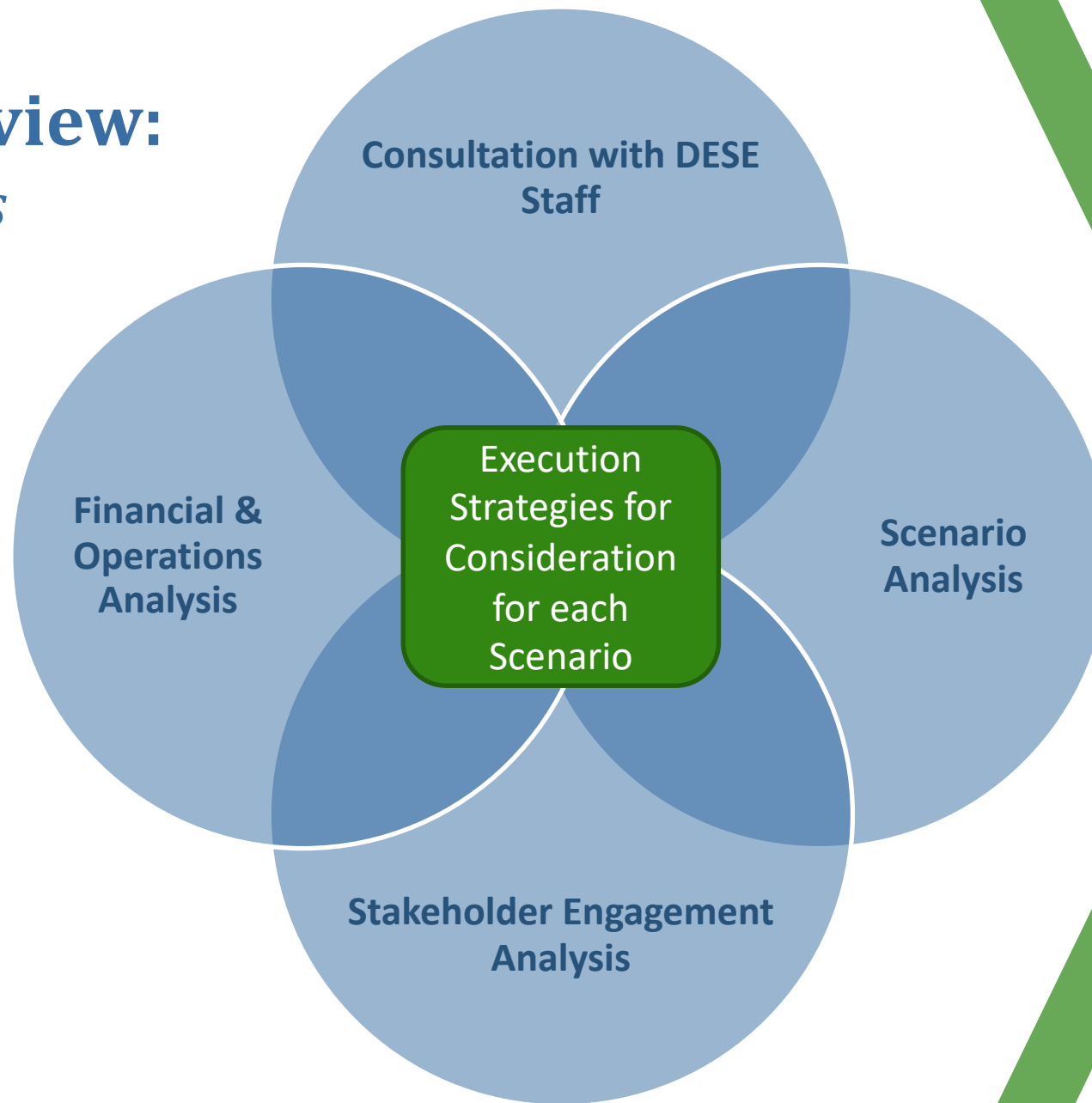


Methodology Overview:

Elements of the Analysis

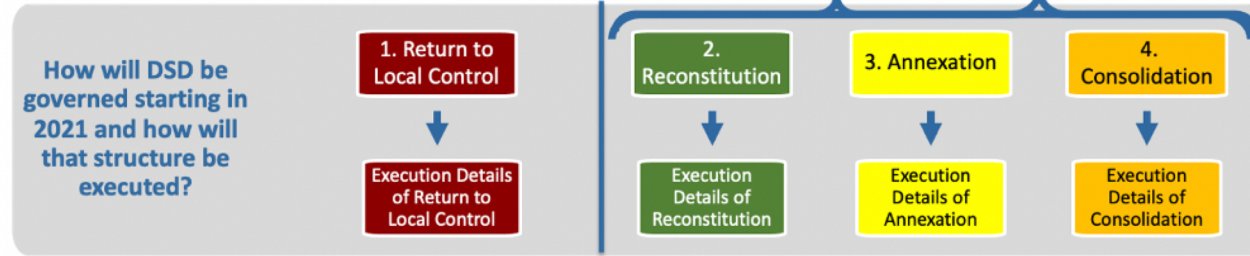
For each scenario:

1. Legal analysis
2. Stakeholder input analysis
3. Financial and operational analysis
4. Execution strategies for consideration



Discussion Guide

Governing Scenarios



1. RETURN TO LOCAL CONTROL

Legal Considerations	
Stakeholder Input Considerations	

Finance and Operations Considerations		
SBE Decision Point	Options Based on Analysis	Rationale
a. Should the school board be appointed or elected?*		
b. What are the powers and duties		



1. Return to Local Control

Legal Requirements & Considerations for Return to Local Control

Return to Local Control Code

Level 5- Intensive Support

SBE *may* approve return to local control upon commissioner recommendation (AR Code §6-15-2917)

Fiscal Distress

Commissioner *may* return district to local control if DESE certifies in writing and SBE determines district corrected fiscal distress issues (AR Code § 6-20-1909)

Return to Local Control Rules

Level 5- Intensive Support

SBE *may* approve that Level 5 exit criteria has been met, and move district to Level 4-Directed Support for 1 year; additional reporting and monitoring to DESE and SBE (8.10.4)

SBE *may* return district to local control through appointment/election of new board upon recommendation of the commissioner (8.12.2.3)

Fiscal Distress

District *may* petition SBE for return to local control upon DESE certification that district met exit criteria, did not experience additional indicators of fiscal distress, and met DESE requirements for removal (7.03)

1

Relevant Stakeholder Input for Return to Local Control

90% of stakeholders* expressed in some way a desire for Dollarway to retain its cultural identity, name, history, and/or mascot.

“It would be ideal that Dollarway release itself from State control and go back to more prominent days.”

~DSD student



“The families, a lot of them are third, fourth generation Cardinals.”

~DSD administrator



“There’s always someone to go to...it’s such a close-knit family.”

~DSD student



*100% of community leaders, 100% of parents, 88% of teachers, 86% of students, 83% of administrators

Relevant Stakeholder Input for Return to Local Control

53% of stakeholders* expressed concern that a locally elected school board won't be effective.

"A locally elected school board, I feel like that may not be in the best interest of the students. With the wrong leadership, we can lose a lot of progress that has been made."

~DSD
administrator



"The availability of qualified [school board] candidates for election is limited."

~DSD
administrator



"[The district should continue] without the interference of the school board to overlay political issues in local decision-making."

~Community
leader



*40% of community leaders, 25% of parents, 63% of teachers, 43% of students, 83% of administrators

1

Relevant Stakeholder Input for Return to Local Control

93% of stakeholders* expressed pride in their recent progress and 57% of stakeholders^ expressed concern that a change in leadership would halt or reverse improvement.

“The State did help us a whole lot. One of the most gigantic areas is when they introduced Ms. Barbara Warren to us as superintendent.”

~DSD administrator



“I’ve really seen strides in the direction we need to go. I value what they’re doing. I value how hard teachers and staff are working.”

~DSD teacher



“Instructional capacity of teachers has improved...they’re having the right conversations.”

~DSD administrator



*80% of community leaders, 100% of parents, 100% of teachers, 86% of students, 100% of administrators

^80% of community leaders, 50% of parents, 75% of teachers, 0% of students, 83% of administrators

1

Key Finance & Operations Findings for Return to Local Control

- Dollarway SD transitions to resume control over all finance and operational functions
- Important to identify capacity issues that will be necessary to fill given the extraction of state support to key functions, including budgeting, accounting, human resources, and facilities
- Transition surplus property sale transactions from state officials to local administrators

1

Dollarway SD: Summary of Revenues & Expenditures¹

	Current
Revenues	\$10,810,499
Federal	\$1,297,320
State	\$4,858,199
Local	\$4,654,980
Expenditures	\$10,194,020
Salaries	\$7,266,981
Other Expenditures	\$2,927,040
Net Inc / Dec in Balance	\$616,500
Beginning Balance	\$720,376
Ending Balance	\$1,336,876

¹ – Is the sum of both unrestricted and restricted resources for the school district.

1

Execution Strategies for Consideration: Return to Local Control

SBE Decision Point	Options Based on Analysis	Rationale
<p>a. Should the school board be appointed or elected?*</p>	<ul style="list-style-type: none"> Appointed by SBE 	<ul style="list-style-type: none"> Would allow for control over the intent and knowledge of school board members
<p>b. What are the powers and duties of the new school board?*</p>	<ul style="list-style-type: none"> School board provides accountability for sound financial and academic decisions in accordance with predetermined criteria School board does not choose initial superintendent 	<ul style="list-style-type: none"> Would allow superintendent to make critical decisions, and have community oversight Would allow state to choose superintendent

*This is a legally required decision for this governance option

1

Execution Strategies for Consideration: Return to Local Control

SBE Decision Point	Options Based on Analysis	Rationale
<p>c. What reporting to the SBE will be required?*</p>	<ul style="list-style-type: none"> Reporting against predetermined academic and financial criteria 	<ul style="list-style-type: none"> Would ensure DESE’s ability to monitor progress and provide as-needed support
<p>d. What are the implications for finance, millage rates, and operations?</p>	<ul style="list-style-type: none"> DSD continues under their current state without substantive changes to operations Millage rates remain the same unless locally raised through election Revenues remain on a declining trajectory due to declining enrollment DSD does not have access to consolidation/annexation supplements from the state 	<ul style="list-style-type: none"> Would transition power back to local administrators, thereby returning decision-making to those administrators pending release of financial domain by the state Would remain attentive to the capacity of local administrators to make decisions based on objectives of fiscal distress plan

*This is a legally required decision for this governance option

1

Execution Strategies for Consideration: Return to Local Control

SBE Decision Point	Options Based on Analysis	Rationale
e. What staffing changes will occur?	<ul style="list-style-type: none"> Staffing changes decided by DSD leadership as a response to school district conditions, e.g., enrollment trends, etc. 	<ul style="list-style-type: none"> Reflects basis of control, which is with local administrators
f. What role will DESE have moving forward?	<ul style="list-style-type: none"> Chose superintendent initially Monitor progress against predetermined criteria of success Provide technical assistance to key operational positions to ensure maintenance and continuous improvement 	<ul style="list-style-type: none"> Allows for slow transition from DESE support to local administrators

Discussion

2. Reconstitution

Legal Requirements & Considerations for Reconstitution

Reconstitution Code

Level 5- Intensive Support

SBE *may* require annexation, consolidation, or reconstitution at any time (AR Code § 6-15-2916)

SBE *must* annex, consolidate, or reconstitute if district has not met exit criteria after 5 years (AR Code § 6-15-2917)

Fiscal Distress

Commissioner *may* petition SBE to annex, consolidate, or reconstitute (AR Code § 6-20-1909)

SBE *shall* consolidate, annex, or reconstitute if district fails to meet exit criteria after 5 years (AR Code § 6-20-1910)

Reconstitution Rules

Level 5- Intensive Support

SBE *may* require annexation, consolidation, or reconstitution at any time (8.11.2.1.4)

SBE *shall* annex, consolidate, or reconstitute if district has not met exit criteria within 5 years (8.12.2.5)

Fiscal Distress

DESE *may* petition SBE at any time to consolidate, annex, or reconstitute district with this classification (7.09)

SBE *shall* consolidate, annex, or reconstitute district that fails to meet exit criteria after 5 years (7.10)

Relevant Stakeholder Input for Reconstitution

37% of stakeholders* considered reconstitution as a way to preserve local identity and allow for local choice, though many stated that they are unclear of the definition.

"I really favor reconstitution, but I don't know what reconstitution looks like. There's not a definition for it. It says 'govern differently.' That can be a million and one ways."

~DSD administrator



"If we can have a cabinet, or a board that involves educators...If we can have something where teachers have more of a voice."

~DSD teacher



*40% of community leaders, 0% of parents, 25% of teachers, 29% of students, 83% of administrators

Relevant Stakeholder Input for Reconstitution

73% of stakeholders* described a desire to see innovative solutions to expand offerings and attract students. Some shared ideas for these solutions.

“The ability to recruit and train more hands that are qualified and quality could help us. I want to see us continue and enhance those efforts.”

~DSD
administrator



*100% of community leaders, 75% of parents, 63% of teachers, 71% of students, 67% of administrators

Relevant Stakeholder Input for Reconstitution

77% of stakeholders* shared that they believe if Dollarway remained as a separate entity, it could be showcased as a model rural school district within a few years.

"We had the fewest number of students leave to go to other districts at the end of the year...People want to be here and want to be a part"

~DSD administrator



"We think we could be a model school, a public school that has it set up a little different."

~DSD teacher



*100% of community leaders, 75% of parents, 50% of teachers, 57% of students, 83% of administrators

Financial & Operational Analysis

- Revenue sources and tax base
- Expenditure, labor, non-labor analysis
- Facilities, capital, and debt analysis

Revenue and Taxes

Expenditures

Facilities and Debt

Key Finance & Operations Findings for Reconstitution

- This option focuses primarily on the cost efficiencies achieved at the Central Office and school support level (e.g., transportation)
- Presumes that school-based operations continue 'as is' in the 2021-22 school year
- Pause any unnecessary building repairs and continue to pursue the sale of surplus property

Dollarway SD: Summary of Revenues & Expenditures¹

	Current	Reconstitution	Change
Revenues	\$10,810,499	\$10,810,499	\$0
Federal	\$1,297,320	\$1,297,320	\$0
State	\$4,858,199	\$4,858,199	\$0
Local	\$4,654,980	\$4,654,980	\$0
Expenditures	\$10,194,020	\$9,723,604	(\$470,415)
Salaries	\$7,266,981	\$6,796,564	(\$470,415)
Other Expenditures	\$2,927,040	\$2,927,040	\$0
Net Inc / Dec in Balance	\$616,500	\$1,086,915	\$470,415
Beginning Balance	\$720,376	\$720,376	\$0
Ending Balance	\$1,336,876	\$1,807,291	\$470,415

¹ – Is the sum of both unrestricted and restricted resources for the school district.

Dollarway SD: Revenue¹

	Current	Reconstitution	Change
Federal Aid	\$1,297,320	\$1,297,320	\$0
Title Programs	\$991,277	\$991,277	\$0
Special Education (IDEA)	\$306,043	\$306,043	\$0
State Aid	\$4,858,199	\$4,858,199	\$0
Central Office	\$397,992	\$397,992	\$0
All Other Matrix	\$2,998,303	\$2,998,303	\$0
Categorical	\$1,461,904	\$1,461,904	\$0
Local Sources	\$4,654,980	\$4,654,980	\$0
Property Tax	\$4,635,422	\$4,635,422	\$0
Other Tax	\$19,558	\$19,558	\$0
Total	\$10,810,499	\$10,810,499	\$0

¹ – Is the sum of both unrestricted and restricted resources for the school district.

Dollarway SD: Expenditures¹

	Current	Reconstitution	Change
Salaries & Benefits	\$7,266,981	\$6,796,564	(\$470,415)
Salaries	\$5,703,208	\$5,272,685	(\$430,523)
Benefits	\$1,563,771	\$1,523,879	(\$39,892)
Other Expenditures	\$2,927,040	\$2,927,040	\$0
Substitute Teachers	\$315,000	\$315,000	\$0
Information Technology	\$125,000	\$125,000	\$0
General Supplies	\$316,993	\$316,993	\$0
Bond Payments	\$895,725	\$895,725	\$0
All Other	\$1,278,143	\$1,278,143	\$0
Total	\$10,194,020	\$9,723,604	(\$470,415)

¹ – Is the sum of both unrestricted and restricted resources for the school district.

Expenditures: Labor

Analyzed Central Office positions across both school districts identifying redundancies in job duties and responsibilities resulting in these possible mergers.

Position	Salary FY2020	Benefit %	Benefits	Savings
Assistant Superintendent	\$94,027	12.2%	\$11,471	\$105,498
Technology Coordinator	\$50,250	11.4%	\$5,728	\$ 55,978
Federal Programs Coordinator	\$32,850	11.4%	\$3,744	\$ 36,594
Bus Transportation Coordinator	\$61,000	11.4%	\$6,954	\$ 67,954
Supv. of Ops & Maintenance	\$53,000	11.4%	\$6,042	\$ 59,042
Gifted & Talented Coordinator	\$56,963	11.4%	\$6,493	\$ 63,456
Special Education Coordinator	\$73,642	11.4%	\$8,395	\$ 82,037
Family Engagement	\$31,290	12.2%	\$3,817	\$ 35,107
TOTAL	\$453,022		\$52,647	\$505,669

Facilities & Debt: Facility Upgrades & Surplus Property

Pursue the sale of surplus property (if not already initiated)

School	Utilization	Square Feet
Alzheimer-Martin ES	Closed	34,339
Old Dollarway HS	Closed	88,499
Alzheimer Administration	Closed	2,108
Alzheimer Highway Campus	Closed	11,556
Pinecrest Tech	Closed	26,304
Martin ES	Storage	57,005

Avoid spending maintenance and repair funds when the school may be closed soon

Planned Capital Projects		
Dollarway HS – Roofing (Partnership Funding)	2023-24	\$600,000
Bus Barn – Renovations, equipment, demolish and/or replace (Local Funding)	2021-22,	\$250,000
	2022-23	\$250,000

2 Execution Strategies for Consideration: Reconstitution

SBE Decision Point	Options Based on Analysis	Rationale
<p>a. What is the structure of the reconstituted school district?*</p>	<ul style="list-style-type: none"> • Merge central services with Pine Bluff SD, including streamlining of roles and responsibilities for program and operational delivery • Enable innovative options to attract students and improve services, such as wraparound services provided by local providers, magnet programs (career pathways, STEM, etc.), and partnership with the university 	<ul style="list-style-type: none"> • Consolidating central services would cut costs and redundancies • Additional services and programs would attract and retain more students in the district to increase enrollment • Focus on community integration and student and family services would fill gaps in current district services, facilities, and teacher pipeline
<p>b. On what date will DSD be reconstituted?</p>	<ul style="list-style-type: none"> • Begin merging central services immediately, implement the rest of the model by July 2022 	<ul style="list-style-type: none"> • Would allow enough time for the district to carefully plan and execute a new vision and structure

2 Execution Strategies for Consideration: Reconstitution

SBE Decision Point	Options Based on Analysis	Rationale
<p>c. How will the local school board be structured and what powers will they have?*</p>	<ul style="list-style-type: none"> Made up of equal parts: elected, appointed by the state, and representatives from the university (e.g., 3+2+2) Powers to include oversight of fiscal, academic, and service-offering decisions within the district 	<ul style="list-style-type: none"> Would allow for the combination of educational expertise as well as community input
<p>d. What are the financial implications for revenue, taxes, expenditures, and facilities?</p>	<ul style="list-style-type: none"> Merger of central services with Pine Bluffs decreases expenses and streamlines operational capacity Slower implementation of facilities maintenance allows for cost savings Possible partnerships with community providers expands services and facilities and remains cost neutral 	<ul style="list-style-type: none"> Elimination of redundancy in tasks between the school district at the Central Office level to maximize the investment of resources at the school level

2 Execution Strategies for Consideration: Reconstitution

SBE Decision Point	Options Based on Analysis	Rationale
e. What staffing changes will occur?	<ul style="list-style-type: none"> • Superintendent remains • Hire or reallocate 1–2 staff positions to oversee innovative programming and communications • Consolidate staffing positions between Pine Bluff and Dollarway 	<ul style="list-style-type: none"> • Current superintendent has the strong communication and partnership skills to make the new vision possible • Partnership building requires full-time attention to maximize benefit and return on investment
f. What role will DESE have moving forward?	<ul style="list-style-type: none"> • Support staffing consolidation and training/capacity-building for key central positions • Appoint some school board members • Maintain close monitoring of key financial and academic indicators 	<ul style="list-style-type: none"> • Allows for slow transition from DESE support to build capacity and maintain progress



Discussion

3. Annexation

3

Legal Requirements & Considerations for Annexation

Annexation Code

Level 5-Intensive Support

SBE *may* require annexation, consolidation, or reconstitution at any time (AR Code § 6-15-2916)

SBE *shall* annex, consolidate, or reconstitute if district has not met exit criteria after 5 years (AR Code § 6-15-2917)

Fiscal Distress

Commissioner *may* petition SBE to annex, consolidate, or reconstitute (AR Code § 6-20-1909)

SBE *shall* consolidate, annex, or reconstitute if district fails to meet exit criteria after 5 years (AR Code § 6-20-1910)

Annexation Rules

Level 5-Intensive Support

SBE *may* require annexation, consolidation, or reconstitution at any time (8.11.2.1.4)

SBE *shall* annex, consolidate or reconstitute if district has not met exit criteria within 5 years (8.12.2.5)

Fiscal Distress

DESE *may* petition SBE at any time to consolidate, annex, or reconstitute district with this classification (7.09)

SBE *shall* consolidate, annex, or reconstitute district that fails to meet exit criteria after 5 years (7.10)

3

Relevant Stakeholder Input for Annexation

90% of stakeholders* described in some way how the school district is a critical component of the neighborhood's identity, culture, and economic welfare.

“The thing I value most about Dollarway, first and foremost, is the culture.”

~DSD administrator



“You just hate to see a district lose its identity.”

~DSD teacher



*100% of community leaders, 100% of parents, 88% of teachers, 86% of students, 83% of administrators

3

Relevant Stakeholder Input for Annexation

70% of stakeholders* expressed concern that dissolving the school district at this point would stall positive momentum and not allow the community to be recognized for their hard work.

"For the stakeholders, I feel like they deserve the opportunity to know that they made it."

~Community leader



"We're so close to where we were. We are on the brink of something beautiful. Don't snatch the rug out from under us."

~DSD teacher



"Dollarway is doing the right thing at the right time...if we consolidated with another district, all that's gonna go away and we're going to have to start over. And that's just breaking my heart."

~DSD teacher



*100% of community leaders, 25% of parents, 88% of teachers, 43% of students, 83% of administrators

3

Relevant Stakeholder Input for Annexation

Half of the stakeholders* expressed concern that annexation would result in the loss of the “family-like” atmosphere of Dollarway.

“I can see the family orientation. I also see a lot of the teamwork and effort going to make the achievements and progress that’s needed.”

~DSD teacher



“Dollarway is like a big family working together trying to help.”

~DSD administrator



*100% of community leaders, 75% of parents, 63% of teachers, 71% of students, 67% of administrators

3

Key Finance & Operations Findings for Annexation

- This option focuses on: (a) cost efficiencies achieved at the Central Office and (b) position compensation changes. Most actions would occur in the 2021-22 school year
- Rolling average decline in revenues from both school districts is 4.4%
- Annexation decision by SBE would make available one-time incentive funds of \$2.15M in FY22 and \$1.08M in FY23
- Estimated casino tax revenue levied through additional mills. Beyond first 25 mandatory mills would net \$2.7M in additional annual revenue
- Pause any unnecessary building repairs and continue to pursue the sale of surplus property (equivalent to Reconstitution option)

3

Dollarway SD & Pine Bluff SD: Sum Revenues & Expenditures¹

	Current	Annexation	Change
Revenues	\$30,843,562	\$41,654,061	\$10,810,499
Federal Aid	\$3,766,553	\$5,063,873	\$1,297,320
State Aid	\$13,820,512	\$18,678,711	\$4,858,199
Local Sources	\$13,256,497	\$17,911,477	\$4,654,980
Total	\$39,836,837	\$39,473,873	(\$362,964)
Salaries & Benefits	\$29,045,286	\$28,872,323	(\$172,964)
Other Expenditures	\$10,791,550	\$10,601,550	(\$190,000)
Net Inc / Dec in Balance	(\$8,993,275)	\$2,180,188	(\$6,813,087)
Beginning Balance	\$6,031,118	\$6,031,118	\$0
Ending Balance	(\$2,962,157)	\$8,211,306	\$5,249,149

¹ – Is the sum of both unrestricted and restricted resources for the school districts.

3

Dollarway SD & Pine Bluff SD: Revenues¹

	Current	Annexation	Change
Federal Aid	\$3,766,553	\$5,063,873	\$1,297,320
Title Programs	\$2,802,733	\$3,794,010	\$991,277
Special Education (IDEA)	\$963,820	\$1,269,863	\$306,043
State Aid	\$13,820,512	\$18,678,711	\$4,858,199
Central Office	\$1,228,201	\$1,626,193	\$397,992
All Other Matrix	\$9,721,019	\$12,719,322	\$2,998,303
Categorical	\$2,871,292	\$4,333,196	\$1,461,904
Local Sources	\$13,256,497	\$17,911,477	\$4,654,980
Property Tax	13,218,225	\$17,853,647	\$4,635,422
Other Tax	\$38,272	\$57,830	\$19,558
Total	\$30,843,562	\$41,654,061	\$10,810,499

¹ – Is the sum of both unrestricted and restricted resources for the school districts.

3

Dollarway & Pine Bluff: Expenditures¹

	Current	Annexation	Change
Salaries & Benefits	\$29,045,286	\$28,872,829	(\$172,457)
Salaries	\$22,900,780	\$22,728,323	(\$172,457)
Benefits	\$6,144,507	\$6,144,507	(\$0)
Other Expenditures	\$10,791,550	\$10,601,550	(\$190,000)
Total	\$39,836,837	\$39,474,379	(\$362,458)

¹ – Is the sum of both unrestricted and restricted resources for the school districts.

3

Expenditures: Labor

Analyzed Central Office positions across both school districts identifying redundancies in job duties and responsibilities resulting in these possible mergers.

Position	Salary FY2020	Benefit %	Benefits	Savings
Assistant Superintendent	\$94,027	12.2%	\$11,471	\$105,498
Technology Coordinator	\$50,250	11.4%	\$5,728	\$ 55,978
Federal Programs Coordinator	\$32,850	11.4%	\$3,744	\$ 36,594
Bus Transportation Coordinator	\$61,000	11.4%	\$6,954	\$ 67,954
Supv. of Ops & Maintenance	\$53,000	11.4%	\$6,042	\$ 59,042
Gifted & Talented Coordinator	\$56,963	11.4%	\$6,493	\$ 63,456
Special Education Coordinator	\$73,642	11.4%	\$8,395	\$ 82,037
Family Engagement	\$31,290	12.2%	\$3,817	\$ 35,107
TOTAL	\$453,022		\$52,647	\$505,669

3

Expenditures: Position Compensation Changes

Analyzed job descriptions across both school districts and ran a scenario of equalizing positions across job responsibility and compensation.

Position	Salary Change	Benefits Change	Total Inc / (Dec)
Direct Cost Savings – Central Office	\$453,022	\$52,647	\$505,669
Total Position Compensation Changes	(\$265,642)	(\$67,570)	(\$333,212)
Additional (Cost) / Savings Annexation	\$187,380	(\$14,923)	\$172,457

3

School Campus Merger Opportunities

- » Elementary school merger is not possible using existing capacity
- » Middle school merger possible by the 2022/23 school year
- » High school merger possible by the 2022/23 school year

Presumes continued trajectory in enrollment decline over current plus two years

	Elementary Schools				MS	Jr. HS	High School	
Dollarway School District Schools	3502 - Matthews Elementary School	3505 - Southwood Elementary School	3505 - Thirty-Fourth Ave. Elem. Sch.	3505 - W. T. Cheney Elementary School	3502 - Morehead Middle School (formerly Townsend)	3505 - Jack Robey Jr. High School	3502 - Dollarway High School (formerly Morehead Middle School)	3505 - Pine Bluff High School
Capacity	600	0	0	325	784	870	0	1500
Enrollment, 2019/20	377	502	504	341	287	722	722	903
Difference	223	0	0	-16	497	148	-722	597
	Cannot close a school by 2029-30 due to projected enrollment decline of 306 is less than capacity needed(377 + 16 =393)				Can close Dollarway MS with 139 enrollment decline (287 - 148 =139)		Can close Dollarway HS with 123 enrollment decline (722 - 597 = 123)	
	By 2029/30, enrollment projected K-5 enrollment decline of 259				By 2022/23, projected decline of 138 for grades 6 to 8.		By 2022/23, projected decline of 201	
	Inadequate data, assumed that enrollment is not over capacity							

3

Transportation Analysis & Bus Routes

Current System

- Dollarway = 14 buses
- Pine Bluff = 15 buses
- Total = 29 buses

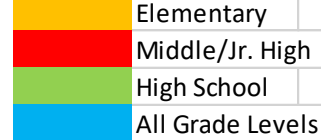
Dollarway SD

- Mixed Grade Levels
- Maximum Ride Time-over 100 minutes

Pine Bluff SD

- Mixed Grade Levels
- Maximum Ride Time-less than 50 mins.

Source: Bus schedules from district websites



5-minute increments
One bus per row, color coded by school with school name

Route No.	6:00	6:05	6:10	6:15	6:20	6:25	6:30	6:35	6:40	6:45	6:50	6:55	7:00	7:05	7:10	7:15	7:20	7:25	7:30	7:35	7:40	7:45	7:50	7:55	8:00	8:05	8:10	8:15	8:20	8:25		
Pine Bluff Buses																																
32										HS/JrHS											34th Ave	Southwood										
80								Broadmo		HS/JrHS																						
82										HS/JrHS																						
83														HS/JrHS								Southwood										
84										Belair																						
87										HS/JrHS																						
88										HS/JrHS																						
89										So 34 HS																						
90										HS/JrHS																						
91									Br HS																							
92																																
94										HS/JrHS																						
96										Broadmo				HS/JrHS																		
97										HS/JrHS																						
98										34th ave																						
Dollarway Buses																																
29																																
30, Old 11																																
30, Old 41																																
31, Old 40, Now 45																																
37, Old 7																																
38																																
40, Old 35																																
41, Old 28																																
42, Old 43																																
43, Old 8																																
44, Old 16																																
45, Old 31																																
46, Old 12																																
47, Old 42																																

3

Transition to Three-Tier Bus System

Modifying Bell Times Reduces Need for 6 to 8 Buses

Current Tiers with Two Districts

Current Buses by Tiers	6:00 to 6:29	6:30 to 6:59	7:00 to 7:29	7:30 to 7:59	8:00 to 8:29
Dollarway	2	5	14	12	1
Pine Bluff	0	15	12	12	0
Total	2	20	26	24	1

Possible Three-Tier System if One District

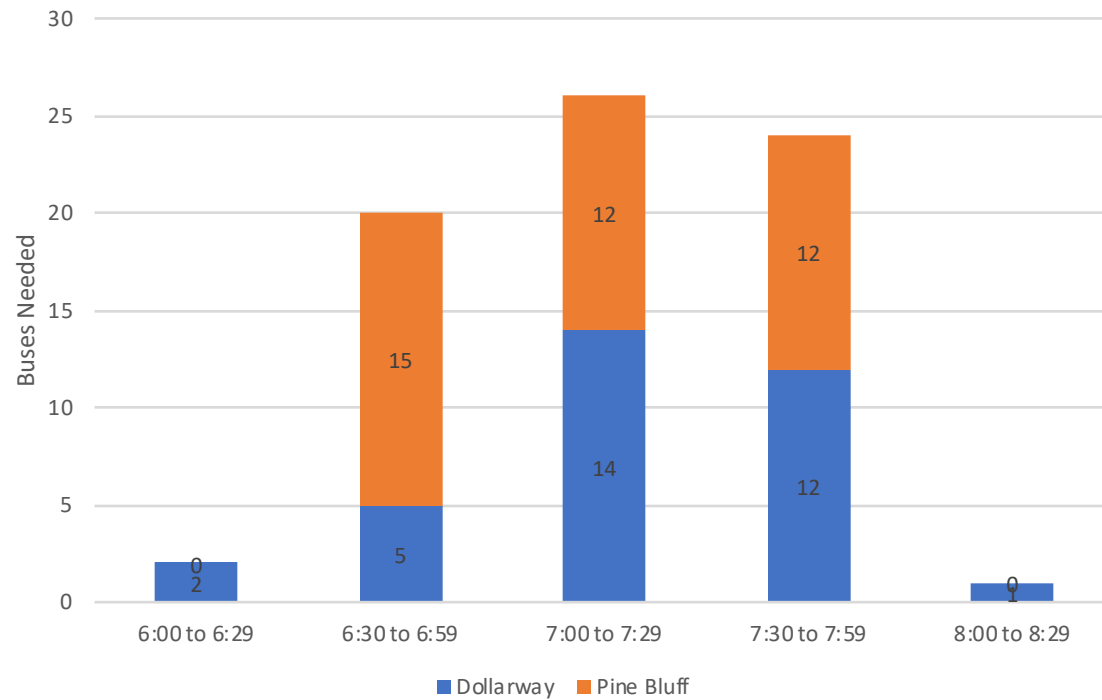
Possible Buses by 3 Tiers	6:00 to 6:29	6:30 to 6:59	7:00 to 7:29	7:30 to 7:39	7:40 to 8:20
Dollarway	4	10	10	10	10
Pine Bluff	0	10	10	10	10
Total	4	20	20	20	20

Difference	2	0	-6	-4	19
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Another View of Bus Data

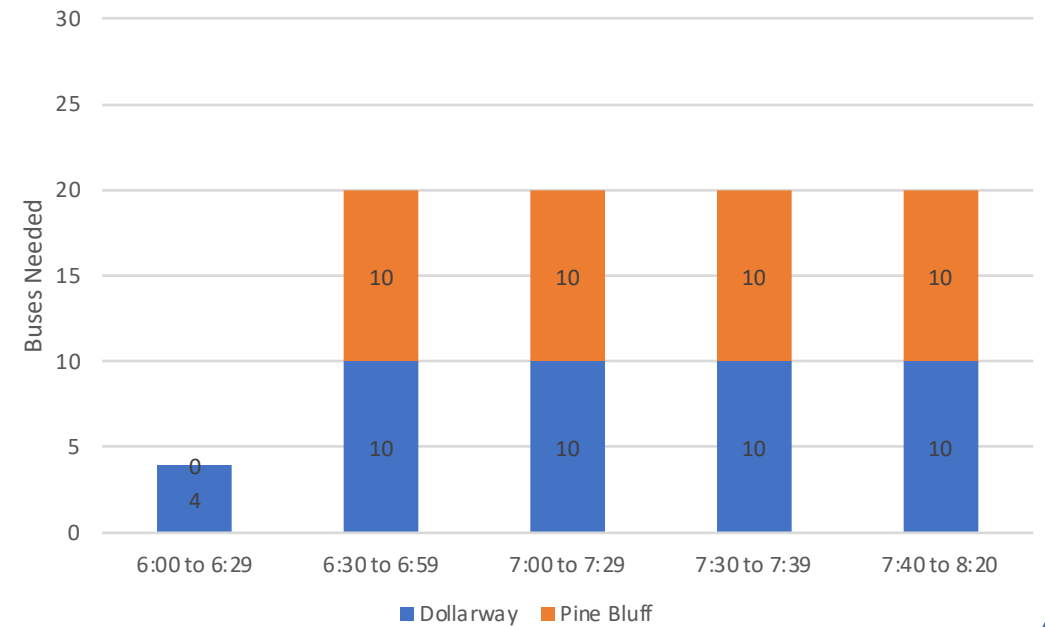
Current Buses-Both Districts

Current Buses Used-Both Districts
(Dollarway-1 tier, Pine Bluff-2 tiers)



Possible Buses Needed-6 Fewer

Possible Buses Used-Both Districts at 3 Tiers



3

Transportation: Savings for Annexation or Consolidation

Potential Savings

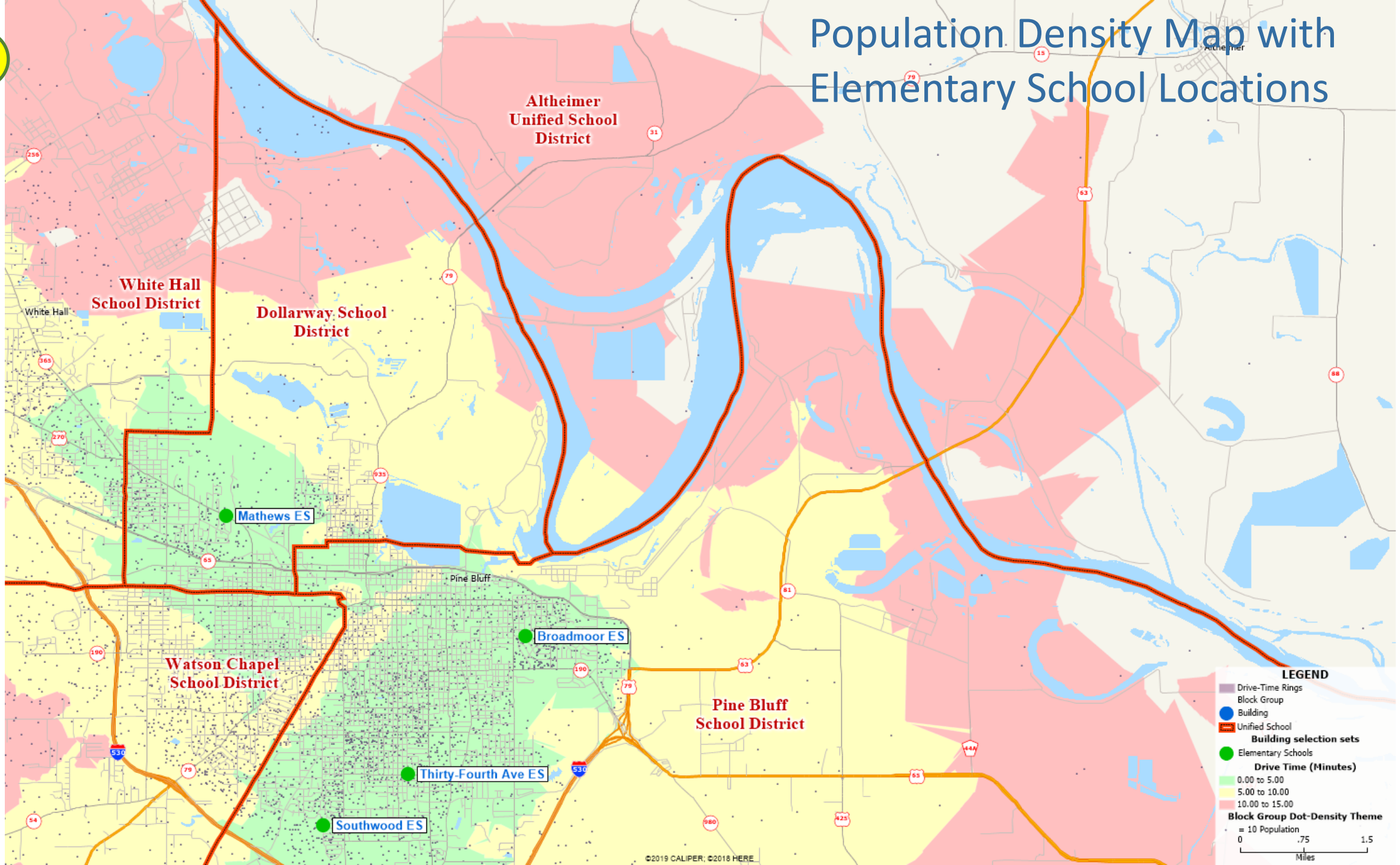
- 6 vehicles at approximately \$40,000 each in annual operating cost
- ***\$240,000 annual savings***
- Possible reduction of one duplicate bus garage

Implementation requires difficult decisions

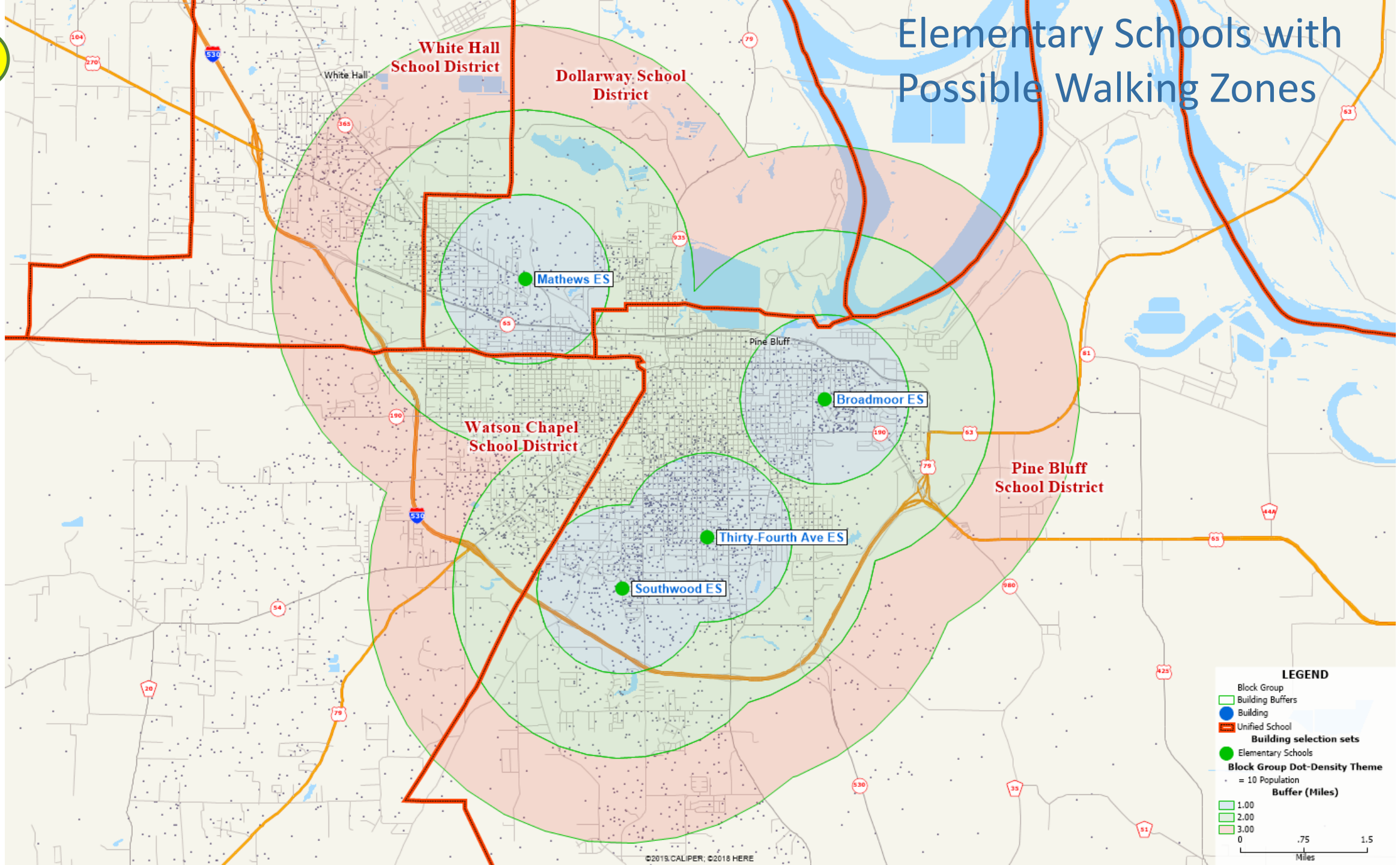
- Change of bell times
- More accurate estimates require full routing of buses with transportation software and expert router — ***approximately \$50,000 in first year***

Total net savings (if fully implemented) = \$190,000 / year

Population Density Map with Elementary School Locations



Elementary Schools with Possible Walking Zones



LEGEND

- Block Group
- Building Buffers
- Building
- Unified School
- Building selection sets**
- Elementary Schools
- Block Group Dot-Density Theme**
= 10 Population
- Buffer (Miles)**
- 1.00
- 2.00
- 3.00
- 0

Scale: 0, .75, 1.5 Miles

3 Execution Strategies for Consideration: Annexation

SBE Decision Point	Options Based on Analysis	Rationale
<p>a. Which school district will be the receiving district for DSD?*</p>	<ul style="list-style-type: none"> Pine Bluff SD 	<ul style="list-style-type: none"> Long-term operational efficiency and cost savings Pine Bluff has the same superintendent and many of the same reform strategies appreciated by Dollarway stakeholders
<p>b. On what date will DSD be annexed?*</p>	<ul style="list-style-type: none"> Officially annexed July 1, 2021, 1–2 years to transition and merge school district functions 	<ul style="list-style-type: none"> Gives time to thoughtfully merge cultures and operations of two districts
<p>c. How will the local school board be structured and what powers will they have?*</p>	<ul style="list-style-type: none"> State resumes authority if Pine Bluff annexes Appoint a limited authority board with representation from Pine Bluff, Dollarway, and former Altheimer areas 	<ul style="list-style-type: none"> Pine Bluff is already under state control Representation of unique areas in decision making Eases transition to full local board once released from state control

*This is a legally required decision for this governance option

3

Execution Strategies for Consideration: Annexation

SBE Decision Point	Options Based on Analysis	Rationale
<p>d. What are the implications for finance — including Incentive Fund, millage rates, and operations?*</p>	<ul style="list-style-type: none"> • District receives incentive funds to support transition • Both school districts derive benefit from the newly opened casino • Millage rate will remain the same unless there is an election. 	<ul style="list-style-type: none"> • Cost savings by consolidating central services • Largest short-term benefit through incentive funds
<p>e. What are the financial implications for revenue, taxes, expenditures, and facilities?</p>	<ul style="list-style-type: none"> • Most savings realized in 2022/23 school year with the possible merger of secondary school campuses • Sell excess property after merger 	<ul style="list-style-type: none"> • Cost savings and declining enrollment • Ability to offer more services and programming to secondary school students without additional cost • Generate one-time revenue for district

*This is a legally required decision for this governance option

3 Execution Strategies for Consideration: Annexation

SBE Decision Point	Options Based on Analysis	Rationale
<p>f. What staffing changes will occur?</p>	<ul style="list-style-type: none"> • Maintain superintendent • Maintain leadership of the Dollarway schools, if possible • Collapse several Central Office positions • Reduced staffing needs through campus closure 	<ul style="list-style-type: none"> • Supt. Warren is already the superintendent of Pine Bluff • Stakeholders value the stability and skill of the existing Dollarway school principals and superintendent • Cost savings in consolidation of staff positions
<p>g. What role will DESE have moving forward?</p>	<ul style="list-style-type: none"> • Resume authority over district following the existing timeline of the Pine Bluff state authority • Provide technical assistance and capacity-building services as they are now 	<ul style="list-style-type: none"> • In accordance with state rules • Allows for continuation of the status quo — superintendent, reform strategies, and state authority — stability is valued by stakeholders

Discussion

4. Consolidation

4

Legal Requirements & Considerations for Consolidation

Consolidation Code

Level 5-Intensive Support

SBE *may* require annexation, consolidation, or reconstitution at any time (AR Code § 6-15-2916)

SBE *shall* annex, consolidate, or reconstitute if district has not met exit criteria after 5 years (AR Code § 6-15-2917)

“Resulting district” is new school district created from affected districts (AR Code § 6-13-1401(6))

Fiscal Distress

Commissioner *may* petition SBE to annex, consolidate, or reconstitute (AR Code § 6-20-1909)

SBE *shall* consolidate, annex, or reconstitute if district fails to meet exit criteria after 5 years (AR Code § 6-20-1910)

Consolidation Rules

Level 5-Intensive Support

SBE *may* require annexation, consolidation, or reconstitution at any time (8.11.2.1.4)

SBE *shall* annex, consolidate or reconstitute if district has not met exit criteria within 5 years (8.12.2.5)

Fiscal Distress

DESE *may* petition SBE at any time to consolidate, annex, or reconstitute district with this classification (7.09)

SBE *shall* consolidate, annex, or reconstitute district that fails to meet exit criteria after 5 years (7.10)

4

Relevant Stakeholder Input for Consolidation

57% of stakeholders* stated that they would like to maintain Superintendent Warren’s leadership and/or the successful improvement strategies she has led.

“We went through several superintendents [before the state takeover]...we had so many challenges at the time that you didn’t know which direction to go in.”

~DSD administrator



“I think improvements happened because of the stability.”

~DSD administrator



“[In the last three years, teachers] started taking surveys to see how the students were more comfortable [in their learning], and they adjusted the classroom to fit that...we started moving around more, doing more activities, and it became more fun to learn that way.”

~DSD Student



*80% of community leaders, 50% of parents, 75% of teachers, 0% of students, 83% of administrators

4

Relevant Stakeholder Input for Consolidation

Seven individuals* acknowledged potential operational, financial, and/or programmatic benefits of consolidation.

"[whatever district we consolidate with] needs to see the good stuff we have over here. Some of our positive culture and climate may rub off."

~DSD administrator



"Could be good in some ways, but when you combine operations and assets, you will lose something."

~DSD administrator



*20% of community leaders, 0% of parents, 13% of teachers, 0% of students, 67% of administrators

4

Relevant Stakeholder Input for Consolidation

60% of stakeholders* expressed concerns about consolidating Dollarway - a rural area - with the more urban area of Pine Bluff, citing cultural differences and travel time on busses specifically.

“Dollarway is more of a rural nature. And if you follow them into a district that’s primarily an inner-city district, then I think there’s a conflict.”

~Community leader



“I don’t know if we’re talking about uprooting students and now, we bus them all across the county to get to their school site.”

~Community leader



*80% of community leaders, 25% of parents, 50% of teachers, 57% of students, 83% of administrators

4

Key Finance & Operations Findings for Consolidation

- This option focuses on: (a) cost efficiencies achieved at the Central Office and (b) position compensation changes. Most actions would occur in the 2022-23 school year.
- Rolling average decline in revenues from both school districts is 4.4%
- Consolidation decision by SBE would make available one-time incentive funds of \$2.15M in FY22 and \$1.08M in FY23
- Estimated casino tax revenue levied through additional mills. Beyond first 25 mandatory mills would net \$2.7M in additional annual revenue
- Pause any unnecessary building repairs and continue to pursue the sale of surplus property (equivalent to Reconstitution option)

4

Dollarway SD & Pine Bluff SD: Sum Revenues & Expenditures¹

	Current	Consolidation	Change
Revenues	\$30,843,562	\$41,654,061	\$10,810,499
Federal Aid	\$3,766,553	\$5,063,873	\$1,297,320
State Aid	\$13,820,512	\$18,678,711	\$4,858,199
Local Sources	\$13,256,497	\$17,911,477	\$4,654,980
Total	\$39,836,837	\$39,473,873	(\$362,964)
Salaries & Benefits	\$29,045,286	\$28,872,323	(\$172,964)
Other Expenditures	\$10,791,550	\$10,601,550	(\$190,000)
Net Inc / Dec in Balance	(\$8,993,275)	\$2,180,188	(\$6,813,087)
Beginning Balance	\$6,031,118	\$6,031,118	\$0
Ending Balance	(\$2,962,157)	\$8,211,306	\$5,249,149

¹ – Is the sum of both unrestricted and restricted resources for the school districts.

4

Dollarway SD & Pine Bluff SD: Revenues¹

	Current	Consolidation	Change
Federal Aid	\$3,766,553	\$5,063,873	\$1,297,320
Title Programs	\$2,802,733	\$3,794,010	\$991,277
Special Education (IDEA)	\$963,820	\$1,269,863	\$306,043
State Aid	\$13,820,512	\$18,678,711	\$4,858,199
Central Office	\$1,228,201	\$1,626,193	\$397,992
All Other Matrix	\$9,721,019	\$12,719,322	\$2,998,303
Categorical	\$2,871,292	\$4,333,196	\$1,461,904
Local Sources	\$13,256,497	\$17,911,477	\$4,654,980
Property Tax	13,218,225	\$17,853,647	\$4,635,422
Other Tax	\$38,272	\$57,830	\$19,558
Total	\$30,843,562	\$41,654,061	\$10,810,499

¹ – Is the sum of both unrestricted and restricted resources for the school districts.

4

Dollarway & Pine Bluff: Expenditures¹

	Current	Consolidation	Change
Salaries & Benefits	\$29,045,286	\$28,872,829	(\$172,457)
Salaries	\$22,900,780	\$22,728,323	(\$172,457)
Benefits	\$6,144,507	\$6,144,507	(\$0)
Other Expenditures	\$10,791,550	\$10,601,550	(\$190,000)
Total	\$39,836,837	\$39,474,379	(\$362,458)

¹ – Is the sum of both unrestricted and restricted resources for the school districts.

4

Expenditures: Labor

Position	Salary FY2020	Benefit %	Benefits	Savings
Assistant Superintendent	\$94,027	12.2%	\$11,471	\$105,498
Technology Coordinator	\$50,250	11.4%	\$5,728	\$ 55,978
Federal Programs Coordinator	\$32,850	11.4%	\$3,744	\$ 36,594
Bus Transportation Coordinator	\$61,000	11.4%	\$6,954	\$ 67,954
Supv. of Ops & Maintenance	\$53,000	11.4%	\$6,042	\$ 59,042
Gifted & Talented Coordinator	\$56,963	11.4%	\$6,493	\$ 63,456
Special Education Coordinator	\$73,642	11.4%	\$8,395	\$ 82,037
Family Engagement	\$31,290	12.2%	\$3,817	\$ 35,107
TOTAL	\$453,022		\$52,647	\$505,669

4

Expenditures: Labor Savings from HS Merger

- Analyzed job descriptions across both school districts and ran a scenario of equalizing positions across job responsibility and compensation.
- Incorporate the merger of the high school in the 2022-23 school year.

Position	Salary Change	Benefits Change	Total Inc / (Dec)
Direct Cost Savings	\$453,022	\$52,647	\$505,669
Total Position Compensation Changes	(\$1,043,377)	(\$132,233)	(\$1,175,610)
Additional (Cost) / Savings Annexation	(\$590,355)	(\$79,586)	(\$669,941)
Savings from Merger of High School	\$605,857	\$75,747	\$681,604
TOTAL	\$15,502	(\$3,839)	\$11,663

4 Execution Strategies for Consideration: Consolidation

SBE Decision Point	Options Based on Analysis	Rationale
<p>a. What school district will be consolidated with DSD?</p>	<ul style="list-style-type: none"> Pine Bluff School District 	<ul style="list-style-type: none"> Would allow DSD schools to maintain the superintendent’s leadership and associated improvement strategies, since PBSB has the same superintendent
<p>b. On what date will DSD be consolidated?*</p>	<ul style="list-style-type: none"> DSD and PBSB consolidate on July 1, 2021, with a timeline of approximately 1–2 years to transition and merge school district functions 	<ul style="list-style-type: none"> Would follow the DESE rule Would allow for continuity in leadership, which many stakeholders have seen as a critical part of their improvement Would allow thoughtful and deliberate action to merge cultures, operations, and services Would maximize cost savings and prompt use of state incentive funds

*This is a legally required decision for this governance option

4 Execution Strategies for Consideration: Consolidation

SBE Decision Point	Options Based on Analysis	Rationale
<p>c. How will the local school board be structured and what powers will they have?*</p>	<ul style="list-style-type: none"> • Elect new permanent board in 1st or 2nd election after July 1, 2021 • School board to include representation from various geographic locations in the county (e.g., Pine Bluff urban area, Dollarway area, Altheimer area, etc.) • School board has ability to make decisions just for former Dollarway schools or just for former Pine Bluff schools — at least initially 	<ul style="list-style-type: none"> • Would follow DESE rules • Would maintain the ability for the community to advocate for itself and promote representation from all geographic communities • Would ensure that board does not take a one-size-fits-all approach to rural and urban schools

*This is a legally required decision for this governance option

4

Execution Strategies for Consideration: Consolidation

SBE Decision Point	Options Based on Analysis	Rationale
<p>d. What are the implications for finance — including Incentive Fund, millage rates, operations, and building/land sales?*</p>	<ul style="list-style-type: none"> • District receives the state’s incentive funds to help with transition • Both school districts derive benefit from the newly opened casino • District millage rate will remain the same, unless there is an election. • Sell excess property after merger of secondary campuses 	<ul style="list-style-type: none"> • Cost savings • Short-term increase in revenue through incentive funds • Generate one-time revenue for district
<p>e. What are the financial implications for revenue, taxes, expenditures, and facilities?</p>	<ul style="list-style-type: none"> • Most savings realized in 2022/23 school year with the possible merger of secondary school campuses 	<ul style="list-style-type: none"> • Cost savings and declining enrollment • Ability to offer more services and programming to secondary school students without additional cost • Would generate one-time revenue for district



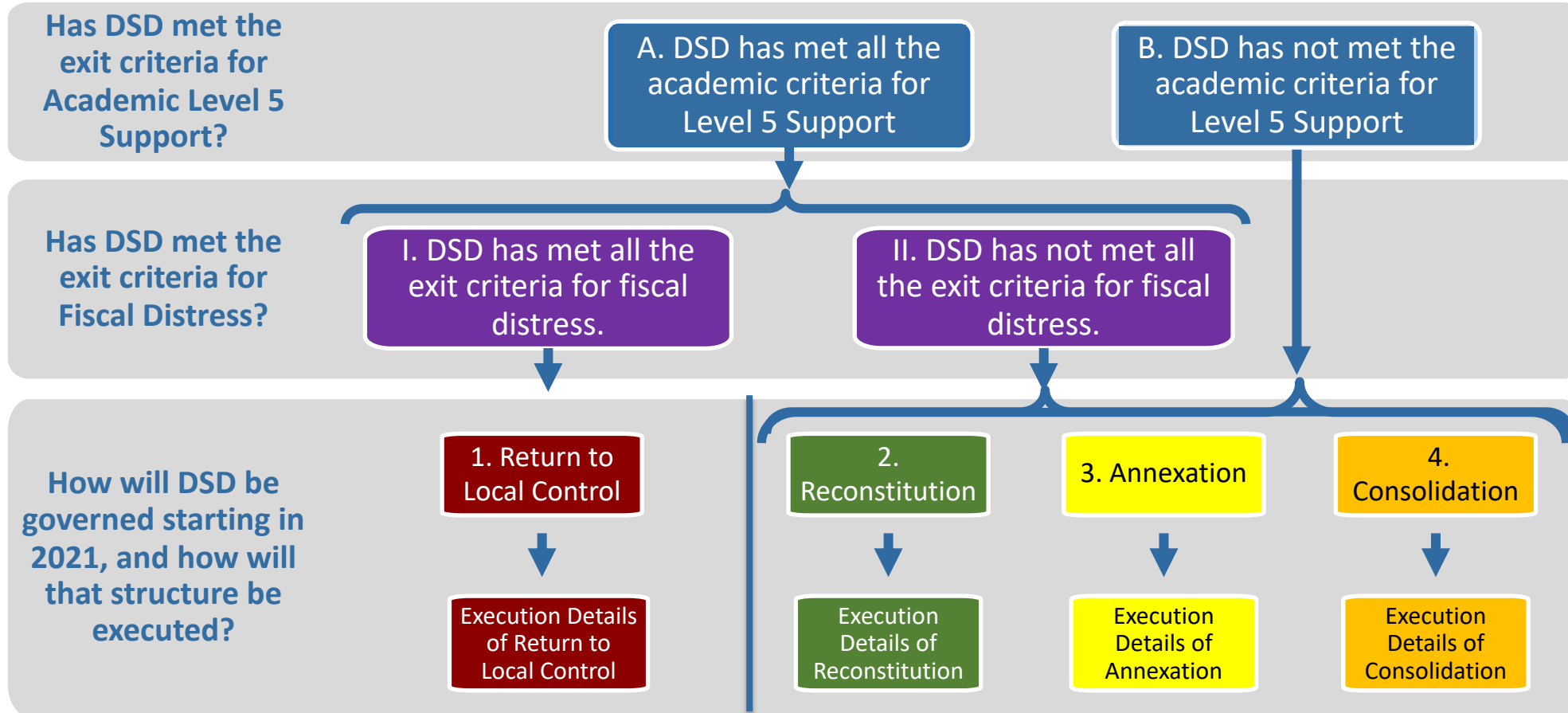
4 Execution Strategies for Consideration: Consolidation

SBE Decision Point	Options Based on Analysis	Rationale
f. What staffing changes will occur?	<ul style="list-style-type: none"> Newly formed district leadership identifies the best talent for operational roles from the two districts and has them lead that area 	<ul style="list-style-type: none"> Would allow for the best services across the district
g. What role will DESE have moving forward?	<ul style="list-style-type: none"> Provide technical assistance and capacity building services during the transition Appoint interim school board until new school board can be elected DESE no longer has authority 	<ul style="list-style-type: none"> In accordance with state rules Allows for continuation of state capacity building effort on limited terms

Discussion

Findings Summary

Arkansas State Board of Education Decision Tree



Legal Time Line for State Board of Education Action

December 10, 2015

Dollarway School District (DSD) identified as being in academic distress

DSD placed under state authority

Supt. Warren appointed

2016–2020

Continued State Support

December 1, 2020

SBE Working Group Session

July 1, 2021

Effective date of SBE decision, unless determined otherwise by SBE

April 2016

DSD identified as being in fiscal distress

November 13, 2020

SBE Meeting

December 10, 2020

SBE Meeting to make decision on DSD

Major Themes from Stakeholder Input — Positive

Dollarway's culture has improved in the last 3 years.

93% of participants expressed this idea

Dollarway is a strong family-like community.

90% of participants expressed this idea

Dollarway's academic outcomes are rising.

90% of participants expressed this idea

Supt. Warren's leadership has brought about positive change.

57% of participants expressed this idea

Major Themes from Stakeholder Input — Concerns

Dollarway's identity is critical to the community welfare.

90% of participants expressed this idea

Dollarway needs to offer additional services and programs for students.

73% of participants expressed this idea

Stakeholders want to have input on the decision ahead.

67% of participants expressed this idea

Dollarway is not ready to return to local control.

53% of participants expressed this idea

Major Themes from Fiscal and Operational Analysis

- Both school districts have been hampered by precipitous, declining enrollment over the past several years.
- This has led to the continual need to reduce expenditures to ensure alignment with available revenues.
- Other conditions such as novice teachers and needed facilities repair have also contributed to a lack of effective resource investment.

Major Themes from Fiscal and Operational Analysis (cont.)

- Options to recognize cost savings occur in the immediate with larger, long-term savings achieved with school mergers likely achievable in the 2022-23 school year.
- The annexation and consolidation options offer additional, one-time state investment that outpaces cost savings achieved in the short run.
- Limited capacity in key Central Office functions is noted which may contribute to challenges for Dollarway SD to make necessary changes in the future.

Summary of Considerations for Four Scenarios

1. Return to Local Control

DSD will be governed by a locally elected or appointed school board.

School board appointed by SBE

School board provides accountability for predetermined success criteria, reports to DESE

Revenues remain consistent with current state

Staffing changes would be district decision

DESE monitors progress against success criteria and provides technical assistance

Superintendent appointed by DESE

2. Reconstitution

DSD will be governed differently — in a manner decided by the State Board of Education — to maintain progress toward improvement.

Merge central services with PBSB

Enable innovative solutions to increase enrollment

Implement over 2 years

New school board mix of appointed & elected members

Decreases expenses and increases cost savings

Superintendent remains, some central positions consolidated

DESE appoints some school board and supports transition

Summary of Considerations for Four Scenarios

3. Annexation

DSD will become part of another school district. The other school district will maintain leadership over schools previously within the Dollarway School District.

PBSD annexes Dollarway
Transition July 1, 2021, and implement over 1–2 years
DESE resumes authority, appoints limited-authority board
State incentive funds temporarily increase revenue
Merger of secondary school campuses in 2022/23 and consolidation of staff
Sale of excess buildings
Collapses some central office positions, maintains leadership

4. Consolidation

DSD and one or more other school districts will merge and become a new, larger school district. The districts will combine operations, assets, and leadership and will operate under one unified strategy.

PBSD and Dollarway become new district
Transition July 1, 2021, and implement over 1–2 years
Elect new school board with representation from all geographic areas
State incentive funds temporarily increase revenue
Merger of secondary school campuses in 2022/23 and consolidation of staff
Sale of excess buildings
Superintendent remains, other staffing changes made by new district leadership and school board
DESE no longer has authority, but provides technical assistance through interim appointed school board

Questions & Discussion

Next Steps

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APPENDIX

Video Shared during Phase 1 Stakeholder Input Sessions

