



Advocates for Community and Rural Education

Off the List!!

Schools in Arkansas can be consolidated, annexed, closed, or taken over by the state for five reasons—academic distress, fiscal distress, failure to meet the 350 minimum enrollment, facilities distress, and failure to meet accreditation standards.

Except for size, by far the most often used reason for state-takeover or closure has been fiscal distress, that is, a declining balance with a projected negative balance for the next school year.

According to a May 7, 2007, news release by the Arkansas Department of education, five school districts are currently classified in fiscal distress: Helena-West Helena, Hughes, Midland, Omaha, and Turrell, with Helena-West Helena and Midland in the beginning stages of being released from state control.

The superintendents of two school districts which were removed this year from the fiscal distress list recently shared what they did to put their districts back on sound financial footing.

By Dr. Shari Marshall, retiring superintendent of Lead Hill School District:

Lead Hill Public Schools may again conduct business after receiving approval from the Arkansas Department of Education for removal from the “list” on April 9, 2007. What is the list? Well, it is an effort by the Arkansas State Legislature to ensure that schools operate in a fiscally responsible manner.

Although schools may not agree with what the formula signifies, once you are on the list it does no good to whine about it. It is best to get down to business and prove that the Board of Education can operate its affairs efficiently and provide a good education for the students in the District.



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Lead Hill Public School is a slightly isolated district in the Ozark Mountains, bordered by mountains and Bull Shoals Lake. Its 138 square miles has less than 25% of its roads paved. It served an average of 385 students over the past 10 years. The students are at a 74% poverty level district wide. Despite high poverty levels, Lead Hill students score above state averages on most state benchmark exams and the ACT. (photos from www.leadhill.net)

At an initial community meeting over 125 persons arrived to give and share information and set the vision for the future. That future included maintaining a school in the district.

The first step involved refinancing bonds to provide operating capital to repair buildings that had long been neglected. The second was to educate the Board. At first notice of the fiscal distress designation, the district sent a letter of appeal

but then withdrew the appeal and decided to learn what made the district tick financially.

When I came on board in July of 2005, Dr. Ray Morgan (who was retiring) already had the refinance ball rolling. Board members formed a committee of the whole to study finances and the school budgets. With a new superintendent from another state, they formed a team to learn about the

(See LIST on p. 2)



Twenty-four ACRE chapter leaders and education activists met in Little Rock on June 15 and 16 to assess the progress of the organization and plan future activities.

Reports from 12 different chapters representing different areas of the state gave an overview of the progress being

ACRE Policy Council plans future

made and needs still to be met.

Policy Council members participated three workshops: Alternative Ways of Getting the Message Out (Lavina Grandon), Mobilizing a Task Force on Education in Your Community (Sandy Collins), and Getting Your Candidate Elected to the School Board (Renee Carr).

ACRE Board member, Sen. Jack Crumbly, summarized education gains made in the 2007 legislative session, including increases in per-pupil expenditures, additional poverty money, and earlier notification by the State Department when a school is threatened with fiscal distress. The group identified 13 goals for the 2009-2010 biennium.

The Policy Council decided on a *Local Issues PLUS* strategy for the coming year. Elements of this strategy include working with chapters on local issues of school quality, school climate, education justice, and consolidation/closure while initiating projects around three other overarching issues: (1) Quality education for ALL children; (2) Transition issues for consolidated, annexed, or closed schools; (3) Students who are at risk due to family problems, discipline issues, academics, drugs/alcohol, or pregnancy.

(For more information see www.aracre.org)

List, cont.

peculiarities of Arkansas public school finance. Contacts were made with the Department of Education to assist in leading the District to develop a plan that could demonstrate the District would be able to operate on its own. Contacts with legislators were made, and a steady stream of letters to remind anyone who would listen that Lead Hill was a viable educational entity began to flow.

A school foundation was established in September of 2005. The members supported school issues and projects including fundraising for a new fire alarm system. Community meetings were held on a regular monthly basis to establish the vision for the future.

An Immediate Needs grant had been written, praised, and then put in limbo because “the District is in distress and the fiscal distress committee has put the award on hold.” We soon learned no grant would be awarded until our fiscal distress label had been removed. The work still needed to be done, so groups of community volunteers pitched in with in-kind services. In November of 2006, the Department of Education authorized the release of the Immediate Needs funds and a \$90,000 short term loan. The repair work began in earnest. But we were still on the list.

With only 385 students, down from 422 in the FY05 school year (the flight from the district began when it was put on the distress list), it was difficult to maintain healthy balances. The Board was shooting for a 10% balance excluding categorical funds in the operating budget.

The low fund balance occurred immediately after the completion of a building project approved by the state to erect a new high school with complete gym facilities. Under the state formula, the district was projected to be in the red by more than \$80,000 at the end of FY2006. The Board and superintendent along with the PPC committees studied the problem and determined how to proceed. Money needed to be brought into the district or expenditures had to go down.

Fellow superintendents provided mentoring services as well as the School Boards Association, Arkansas Rural Education Association, and the

Department of Education.

Following are steps that were taken to reduce expenditures:

—Grants were written to increase dollars in the district. Two ABC Pre-K programs were put in place and one NSLA Pre-K establishing a base for students to come into the Lead Hill School District. Ninety per cent of the children continued to Lead Hill’s kindergarten this year.

—The bookkeeper added an encumbered column to the financial report so teachers and sponsors as well as administrators could see what was being spent.

—A purchase order system was put in place to track expenditures, and everyone was required to follow it.

—As teachers and support staff left for various reasons in FY2006, they were not replaced.

—Buses which were in poor repair were replaced with a lease system guaranteeing safe transport for students while reducing costs.

—Division of responsibilities allowed the bus mechanic, no longer needed full time, to work as a custodial assistant, reducing the number of temporary workers.

—In FY2007, staff members were reduced to fit the student population which held steady at 385 at a savings of \$450,000.

—The day was divided into 8 periods instead of 7, allowing a teacher to teach more classes.

—Teachers who could teach multiple areas were employed.

—The Arkansas Virtual High School was utilized to its fullest, ensuring all 38 subjects plus subjects students wanted to take but were not available at Lead Hill (Oceanography) could be taken.

—The Alternative School attracted back into the district students who had dropped out and then decided a high school diploma was needed.

—Athletics were removed from the school day by offering two P.E. classes meeting all benchmark requirements. One concentrated on team play and the other on traditional forms of exercise. Practices were held before and after school. The concerns that students would not be able to participate were quickly erased as the students showed

up for both practices.

—The basketball coach was reduced to half time.

—Technology in the form of computers, printers, overheads, etc., was added to the library, the computer labs, and the classrooms, giving students access to subject matter assistance through additional NSLA dollars.

—The Title I program was granted school-wide status at the high school level, allowing more discretion in the use of those dollars.

—Materials were recycled and reused.

—The Board established a finance committee to track expenditures and asked questions when expenditures were not understood.

All of these factors worked together to remove Lead Hill School District from the fiscal distress list. I would note, however, that the district finished the FY06 school year at \$243,000 not including categoricals. It would have seemed that the district could have been removed then. After all, that is quite a difference from the projected -\$83,000 and close to the 10% recommended balance in operating funds.

It would have saved a lot of mental distress for the community, the school district, the employees, and yes, the children, who were constantly hearing the district was going to close. That ending balance was not just from actions taken by the district. There is a flaw in the formula. Hopefully, it can be tweaked so that schools in distress can be assisted without devastating the district.

More needs to be done to ensure that small rural schools can operate in a fiscally responsible manner without taking up the call to consolidate. The district has studied that possibility twice and both times found the savings to be minimal.

Being placed on the fiscally distressed list was a wake-up call, though, and the Lead Hill school board is appreciative of what it has learned and feels much more confident about assessing the financial status of its schools. With hard work by school officials, students, faculty and staff, and the children, Lead Hill School is finally “off the list”!



Retiring Lead Hill School District superintendent, Dr. Shari Marshall, hands over the school keys to her successor, Bobby Gray, in a school board meeting June 25. (photo from *Harrison Daily Times* 6-27-07)

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Off the list—Part two

In January 2007 patrons of Flippin School District breathed a sigh of relief when their school was removed from Arkansas Department of Education's list of fiscally distressed schools.

That they were able to do so after two years of effort can be attributed in part to the leadership of Dale Query, who came to Flippin as superintendent in the 2005-06 school year.

Query says that the financial management practices of the superintendent is one of the main items the State Department looks at in determining a school's fiscal status. He lists this as one of three factors that allowed Flippin to shed the undesirable fiscally distressed label. The other two factors were passing a millage increase and controlling spending.

Query elaborates that good financial management practices include using proper coding for expenses, good book-keeping methods with an approved purchase order system for any purchases, and wise planning for district spending.

Under his leadership the school also got a financial boost from a 4.8 mill property tax increase, the largest passed since 1983.

In a district that includes a large retirement community, this took some persuasion, but, says Query, "People were very responsive when they knew the facts."

To "sell" the millage increase to the community, Query met with business people and industry leaders. He laid out the details of the schools financial situation and asked for their help.

To connect with people who might not normally be at school functions, he met with the rural fire departments in his district.

He also reactivated a traditional relationship between the school and the retirement community by promoting assistance for the retirees as service projects for school clubs.

The district got spending under control by cutting back on all frivolous or luxury items. Teaching supplies and classroom equipment were considered necessities, but some technology services that were underused, for example, were eliminated.

Vendors were asked to re-bid for better deals for the school.

Classified staff was reduced by six positions and one special education position was RIFFed from the certified staff.

Some maintenance and operations expenditures that were paid in cash were shifted to low-interest revolving loans.

Salaries were frozen on extended contracts.

With the community involved and informed each step of the way, with sound management and some sacrifices, Flippin School District is once again on a sound financial footing.



Dale Query, superintendent who led the Flippin School District on their quest to be removed from the Arkansas Department of Education's list of fiscally distressed schools. Query is also currently the president of the Arkansas Rural Education Association. (photo taken from flippin.ar.schoolwebpages.com)

Save our schools

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Ring symbolizes family's generations of commitment to Delight School



One of the amazing and enriching features of small-town schools is the long-standing family histories intertwined with the school history.

Delight School means a lot to Connie Kelton (class of 1984) and her family.

Her children, Kyler (age 15, class of 2110), Brady (age 12), and Kaylee (age 9), are the fourth generation of her family to attend this small southwest Arkansas school of about 355 students.

Connie's family's commitment to the rich traditions of Delight School are symbolized in a class ring that she proudly wears from her grandmother, Connie Belle Canter, in 1932.

Canter's namesake tells that her grandmother recalls her senior trip to Caddo Gap, 40 miles away, on a flat-

bed truck!

Kelton is now a 6th grade teacher at Delight. She says her parents graduated there—her father in 1957 and her mother in 1958—as well as all of her aunts and uncles and her brother.

They attended school with such well-known notables as Glen Campbell and Judge Wendell Griffin.

Connie proudly shows off historic buildings, some of which date to the turn of the century, and the gym, where banners of championship teams are displayed.

In Delight, she says, "School is really our whole life. Everything that goes on in the community takes place at the school—Girl Scout meetings, an annual cemetery fundraiser dinner, EMT classes, family reunions, benefits and auctions of all kinds, music programs. Basically anything that involves the

community happens at the school."

With an ending enrollment last year of 355 students in kindergarten through twelfth grade, the Delight school is continually threatened by an Act 60 consolidation, but the community is fighting back. In a recent community meeting about fifty people showed up to express their concerns and willingness to fight to save the school.

Connie says she will probably pass her ring on to Kaylee someday, and she hopes that her children will be able to be the fourth generation of her family to graduate from Delight High School.

TRADITION...and tradition in the making

Rural Special is another small school threatened by Arkansas' consolidation laws.

In this photo of the kindergarten graduation at Rural Special, Olivia Carlton (left) is a 4th generation Rural Special student, while Julie Janus is the first of her family to attend the school.

(Arkansas Democrat-Gazette 5-27-07)

