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EXHIBIT TWO (2)



## Overview of Governing Scenarios for Dollarway School District (DSD): Guide to SBE Decisions

RETURN TO LOCAL CONTROL	
<b>Legal Parameters</b>	<p><b>SBE may return to Local Control only if —</b></p> <ul style="list-style-type: none"> <li>Commissioner of Education recommends that district has met exit criteria AND</li> <li>DESE certifies in writing that the district has resolved the indicators for which district placed under fiscal classification AND</li> <li>SBE approves that district has met exit criteria</li> </ul> <p><b>Has the district met the above criteria ?   <input type="radio"/> Yes, may return to local control   <input type="radio"/> No, may not return to local control</b></p>
<b>Finance and Operations Implications</b>	<p><b>Pros:</b></p> <ul style="list-style-type: none"> <li>Local decision-making is driven by a locally elected board</li> </ul> <p><b>Cons:</b></p> <ul style="list-style-type: none"> <li>Millage rates remain the same unless locally raised through election</li> <li>Revenues remain on a declining trajectory due to declining enrollment</li> <li>DSD would not have access to consolidation/annexation one-time supplemental funding from the state</li> <li>Significant operating and staffing cuts would need to occur; Reduction in Force (RIF) would be unavoidable for the 2021-22 year</li> <li>Surplus property sale would transition from state to local administrators</li> </ul>
<b>Implications for Stakeholders</b>	<p><b>Pros:</b></p> <ul style="list-style-type: none"> <li>DSD maintains cultural identity, name, history, and mascot</li> <li>DSD would be able to maintain momentum toward current progress given consistency of leadership</li> </ul> <p><b>Cons:</b></p> <ul style="list-style-type: none"> <li>Innovation opportunities would be limited due to fiscal cuts</li> <li>Additional campus consolidations within district and Reduction in Force</li> <li>If school board was elected, it may not be effective due to low population of qualified, motivated candidates</li> </ul>
<b>Legal Options for State Board of Education: December 10<sup>th</sup> Decisions</b>	<p><b>How will the local school board be established?</b>  <input type="radio"/> Appointed   <input type="radio"/> Elected   <input type="radio"/> Combination (Elected and Appointed)</p> <p><b>What are the powers and duties of the new school board?</b>  <input type="radio"/> Limited Authority Board   <input type="radio"/> No limits</p> <p><b>When will changes begin to occur?</b>  <input type="radio"/> December 10, 2020   <input type="radio"/> July 1, 2021   <input type="radio"/> Other</p> <p><b>How will the district be governed in the interim before a permanent board is in place?</b>  <input type="radio"/> Interim board appointed by SBE</p> <p><b>What reporting to the SBE will be required?</b>  <input type="radio"/> Reporting against set financial criteria   <input type="radio"/> Reporting against set academic criteria   <input type="radio"/> No reporting   <input type="radio"/> Other</p>
<b>Considerations for DESE Role</b>	<p><b>DESE could:</b></p> <ul style="list-style-type: none"> <li>Monitor progress against success criteria</li> <li>Provide technical assistance to key operational positions to ensure maintenance and continuous improvement</li> <li>Supervise/approve SBE in appointment of superintendent until full local decision-making authority is returned</li> </ul>
<b>Considerations for Local Leaders</b>	<p><b>Local administrators and/or the local school board would have the authority to:</b></p> <ul style="list-style-type: none"> <li>Choose permanent superintendent</li> <li>Decide on cost-saving mechanisms, including reduction in force, facility consolidation, and bus route consolidation</li> <li>Change millage rate</li> <li>Oversee surplus property sales</li> <li>Make changes in staffing, operations, strategies, or programs based on student enrollment, financial capacity, and local priorities</li> </ul>

## Overview of Governing Scenarios for Dollarway School District (DSD): Guide to SBE Decisions

RECONSTITUTION	
Legal Parameters	SBE may reconstitute, which will include the reorganization of the administrative unit or the governing school board of directors of a school district, including, but not limited to, the replacement or removal of a current superintendent or the removal or replacement of a current school board of directors or both
Finance and Operations Implications	<p><b>Pros:</b></p> <ul style="list-style-type: none"> <li>Central services for DSD and PBSB could be merged with those same services to decrease expenses</li> <li>Surplus property sale would continue to receive support from state administrators if facilities were combined with PBSB</li> </ul> <p><b>Cons:</b></p> <ul style="list-style-type: none"> <li>Significant measures to decrease expenses would need to be taken, e.g., consolidate bus routes, decrease staff, etc.</li> <li>DSD would not have access to consolidation/annexation one-time supplemental funding from the state</li> <li>Millage rates remain the same unless locally raised through election</li> <li>Revenues remain on a declining trajectory due to declining enrollment</li> <li>Merging two central offices, will have fiscal advantages but may lose some operational efficiencies</li> </ul>
Implications for Stakeholders	<p><b>Pros:</b></p> <ul style="list-style-type: none"> <li>DSD maintains cultural identity, name, history, and mascot</li> <li>Allows for pursuit of innovative solutions and community partnership to increase enrollment and improve services</li> <li>DSD would be able to maintain momentum toward current progress given consistency of leadership</li> </ul> <p><b>Cons:</b></p> <ul style="list-style-type: none"> <li>Limitation in funds may hinder local innovation efforts</li> <li>If school board was elected, it may not be effective due to low population of qualified, motivated candidates</li> </ul>
Legal Options for State Board of Education: December 10 <sup>th</sup> Decisions	<p><b>How will the local school board be established?</b></p> <p><input type="radio"/> Appointed <input type="radio"/> Elected <input type="radio"/> Combination (Elected and Appointed)</p> <p><b>What are the powers and duties of the new school board?</b></p> <p><input type="radio"/> Defined limits in authority <input type="radio"/> No limits</p> <p><b>When will changes begin to occur?</b></p> <p><input type="radio"/> December 10, 2020 <input type="radio"/> January 1, 2021 <input type="radio"/> July 1, 2021 <input type="radio"/> Other</p> <p><b>How will the district be governed in the interim before a permanent board is in place?</b></p> <p><input type="radio"/> Interim board established by district <input type="radio"/> Interim board appointed by SBE <input type="radio"/> Commissioner operates as interim board</p> <p><b>What reporting to the SBE will be required?</b></p> <p><input type="radio"/> Reporting against set financial criteria <input type="radio"/> Reporting against set academic criteria <input type="radio"/> No reporting <input type="radio"/> Other</p>
Considerations for DESE Role	<p><b>DESE could:</b></p> <ul style="list-style-type: none"> <li>Maintain close monitoring of key financial and/or academic indicators</li> <li>Continue to provide Level 5 Support</li> <li>Support/direct staffing consolidation and provide training/capacity-building for key central positions</li> <li>Appoint, or maintain, superintendent</li> <li>Oversee sale of excess buildings</li> </ul>
Considerations for Local Leaders	<p><b>Local administrators and/or the local school board would have the authority to:</b></p> <ul style="list-style-type: none"> <li>Allocate staff to manage local partnerships and/or innovative programming</li> <li>Decide on cost-saving mechanisms, including reduction in force strategy and bus route consolidation</li> <li>Determine timeline for maintenance projects</li> <li>Make changes in staffing, operations, strategies, or programs based on student enrollment, financial capacity, and local priorities</li> </ul>

## Overview of Governing Scenarios for Dollarway School District (DSD): Guide to SBE Decisions

### ANNEXATION

<b>Legal Parameters</b>	<ul style="list-style-type: none"> <li>• SBE may require annexation</li> <li>• If DSD were annexed to PBSB, DSD schools would be under the jurisdiction of PBSB and therefore under state authority</li> <li>• Local school board would not be necessary, as Commissioner acts as school board; limited authority board may be appointed</li> <li>• PBSB may remain under state authority until 2023</li> </ul>
<b>Finance and Operations Implications</b>	<p><b>Pros:</b></p> <ul style="list-style-type: none"> <li>• Moderate to significant cost saving opportunities due to merger of central office services, e.g., professional dev, transportation</li> <li>• Pine Bluff school district would receive incentive funding of approx. \$3.5 million over 2 years to support annexation</li> <li>• Both districts derive benefit from newly opened casino</li> <li>• Millage rates would remain the same</li> </ul> <p><b>Cons:</b></p> <ul style="list-style-type: none"> <li>• Maximum cost savings comes from possible merger of school campuses in the future</li> <li>• Reduction in force would be needed to balance the budget to ensure fiscal solvency</li> </ul>
<b>Implications for Stakeholders</b>	<p><b>Pros:</b></p> <ul style="list-style-type: none"> <li>• Continuation of authority, superintendent, and improvement strategies maintains trajectory of improvement</li> <li>• Student services and offerings would be expanded to be inclusive of what is offered in both districts</li> <li>• Dollarway school campuses may remain open under annexation if financially viable</li> </ul> <p><b>Cons:</b></p> <ul style="list-style-type: none"> <li>• May require merger of school campuses in the future</li> <li>• Loss of Dollarway school district identity</li> <li>• Merger of central office cultures/goals/strategies will likely require time and effort to ensure consistent messaging and maintain improvement</li> <li>• Intentional planning must occur to maintain "Family-like" atmosphere of Dollarway due to increase in size</li> </ul>
<b>Legal Options for State Board of Education: December 10<sup>th</sup> Decisions</b>	<p><b>How will the local school board be established?</b></p> <p><input type="radio"/> Commissioner operates as Board   <input type="radio"/> Commissioner shares some authority with appointed board</p> <p><b>What are the powers and duties of the new school board (if applicable)?</b></p> <p><input type="radio"/> Defined limits in authority</p> <p><b>When will changes begin to occur?</b></p> <p><input type="radio"/> January 1, 2021   <input type="radio"/> July 1, 2021   <input type="radio"/> Other</p> <p><b>What reporting to the SBE will be required?</b></p> <p><input type="radio"/> SBE Quarterly Reports</p>
<b>Considerations for DESE Role</b>	<p><b>DESE could:</b></p> <ul style="list-style-type: none"> <li>• Resume authority; Continue to closely monitor and support key academic and financial functions</li> <li>• Direct staffing merger and reduction in force</li> <li>• Maintain oversight over governance and superintendent leadership</li> <li>• Oversee sale of excess buildings and/or manage possible merger of school campuses</li> </ul>
<b>Considerations for Local Leaders</b>	<p><b>Local administrators and/or the local school board would have the authority to:</b></p> <ul style="list-style-type: none"> <li>• Manage day to day operations and academic strategies of schools</li> <li>• Pursue local partnerships and/or innovative programming</li> <li>• Implement changes in staffing, operations, strategies, or programs based on student enrollment, financial capacity, local priorities</li> <li>• Decide if and when to merge school campuses</li> </ul>

## Overview of Governing Scenarios for Dollarway School District (DSD): Guide to SBE Decisions

### CONSOLIDATION

Legal Parameters	<ul style="list-style-type: none"> <li>SBE may require consolidation</li> <li>If DSD and PBSD were to consolidate, they would create an entirely new district</li> <li>The “resulting district” would not be under state authority, and would be controlled locally</li> </ul>
Finance and Operations Implications	<p><b>Pros:</b></p> <ul style="list-style-type: none"> <li>Moderate to significant cost saving opportunities due to merger of central office services, e.g., professional dev, transportation</li> <li>Resulting school district would receive incentive funding of approx. \$3.5 million over 2 years to support consolidation</li> <li>All schools in the resulting district derive benefit from newly opened casino</li> <li>Millage rates would remain the same for both districts</li> </ul> <p><b>Cons:</b></p> <ul style="list-style-type: none"> <li>Maximum cost savings comes from possible merger of high schools, which would not be immediate</li> <li>Reduction in force would be needed to balance the budget to ensure fiscal solvency</li> </ul>
Implications for Stakeholders	<p><b>Pros:</b></p> <ul style="list-style-type: none"> <li>Student services and offerings would be expanded to be inclusive of what is offered in both districts</li> </ul> <p><b>Cons:</b></p> <ul style="list-style-type: none"> <li>Does not guarantee continuation of leadership or improvement strategies</li> <li>Merger of central office staff will likely require time and effort to establish new district goals/strategies/culture</li> <li>May require merger of high school campuses</li> <li>Loss of Dollarway and Pine Bluff School District identity</li> <li>“Family-like” atmosphere of Dollarway may not remain due to increase in size in school district</li> </ul>
Legal Options for State Board of Education: December 10 <sup>th</sup> Decisions	<p><b>How will the permanent local school board be established?</b></p> <p><input type="radio"/> Elected</p> <p><b>What are the powers and duties of the new school board?</b></p> <p><input type="radio"/> Limited Authority Board    <input type="radio"/> No limits</p> <p><b>When will changes begin to occur?</b></p> <p><input type="radio"/> July 1, 2021    <input type="radio"/> Other</p> <p><b>How will the district be governed in the interim before a permanent board is in place?</b></p> <p><input type="radio"/> Interim board appointed by SBE    <input type="radio"/> Commissioner operates as interim board</p> <p><b>What reporting to the SBE will be required?</b></p> <p><input type="radio"/> Reporting against set financial criteria    <input type="radio"/> Reporting against set academic criteria    <input type="radio"/> No reporting    <input type="radio"/> Other</p>
Considerations for DESE Role	<p><b>DESE could:</b></p> <ul style="list-style-type: none"> <li>Monitor progress against identified success criteria</li> <li>Provide technical assistance to key operational positions to ensure maintenance and continuous improvement</li> <li>Supervise/approve SBE in appointment of superintendent until local decision has been made</li> </ul>
Considerations for Local Leaders	<p><b>Local administrators and/or the local school board would have the authority to:</b></p> <ul style="list-style-type: none"> <li>Choose permanent superintendent</li> <li>Decide on cost-saving mechanisms, including reduction in force strategy and bus route consolidation</li> <li>Reconcile millage rates if desired</li> <li>Oversee surplus property sales and/or decide if and when to merge school campuses and manage the merger process</li> <li>Make changes in staffing, operations, strategies, or programs based on student enrollment, financial capacity, and local priorities</li> </ul>

## Overview of Governing Scenarios for Dollarway School District (DSD): Guide to SBE Decisions

### Summary of Legal Options for State Board of Education (SBE) Decisions

		1. Return to Local Control	2. Reconstitution	3. Annexation	4. Consolidation
How will the local school board be established?					
A	Appointed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/> <sup>1</sup>	<input type="radio"/>
B	Elected	<input type="radio"/>	<input type="radio"/>	N/A	<input type="radio"/>
C	Combination (Elected and Appointed)	<input type="radio"/>	<input type="radio"/>	N/A	<input type="radio"/>
D	Commissioner Operates as Board	N/A	N/A	<input type="radio"/>	N/A
What are the powers and duties of the new school board?					
E	Limited Authority Board	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F	No Limits	<input type="radio"/>	<input type="radio"/>	N/A	<input type="radio"/>
When will changes begin to occur?					
G	December 10, 2020	<input type="radio"/>	<input type="radio"/>	N/A	N/A
H	January 1, 2021	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I	July 1, 2021	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
J	Timeline to be Determined at a Later Date	N/A	<input type="radio"/>	N/A	N/A
How will the district be governed in the interim before a permanent board is in place?					
K	Interim Board Appointed by SBE	<input type="radio"/>	<input type="radio"/>	N/A	<input type="radio"/>
L	Commissioner Operates as Interim Board	N/A	<input type="radio"/>	N/A	<input type="radio"/>
What reporting to the SBE will be required?					
M	Reporting Against Set Financial Criteria	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
N	Reporting Against Set Academic Criteria	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
O	No Reporting	<input type="radio"/>	<input type="radio"/>	N/A	<input type="radio"/>
P	Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

<sup>1</sup> Commissioner shares authority