

**AGENDA
STATE BOARD OF EDUCATION
June 24, 2003**

TELECONFERENCE

Originates in Auditorium, Department of Education Building

9:00 a.m.

Action Agenda

- A – 1 Petition for Annexation of the Witts Springs School District to the Marshall School District – Scott Smith

- A – 2 Approval of a Revised Public School Fund Budget for FY2003 – John Kunkel

Minutes
STATE BOARD OF EDUCATION
Telephone Conference Call
Tuesday, June 24, 2003

The State Board of Education met via telephone conference call on Tuesday, June 24, 2003. The meeting was convened at 9:00 a.m. Dr. Charles Watson called the roll and declared a quorum attending.

Members answering present: JoNell Caldwell, Chair; Shelby Hillman, Vice Chair; Luke Gordy; Robert Hackler; Peggy Jeffries; Dr. Calvin King; MaryJane Rebick; Lewis Thompson, Jr.; and Dr. Jeanna Westmoreland.

No Members were absent.

Ms. Caldwell expressed appreciation to Board members for setting this time aside for this rescheduled meeting. She recognized Scott Smith to present the first Agenda item.

Petition for Annexation of the Witts Springs School District to the Marshall School District

Mr. Smith summarized the background issues leading up to the consideration for annexation of the Witts Springs School District to the Marshall School District. Also present was Andrew Vining, Superintendent of the Marshall School District. Mr. Smith asked Mr. Vining to highlight the agreements that have been reached between the two districts. Mr. Vining indicated that should the State Board approve the annexation, there would be a K-6 elementary school campus at the present Witts Springs school site. The current Marshall elementary principal will supervise that campus. Mr. Vining stated that the Witts Springs High School would be closed and most of those students would attend at Marshall High School; however, some students might opt to transfer to other districts that would be closer to their homes. He also indicated that work would begin to redraw district boundary lines in keeping with the State Board action.

Ms. Hillman inquired as to the current and potential enrollments of Marshall High School. Mr. Vining responded that last year the enrollment at Marshall High School was approximately 340 students in grades 7-12. So far approximately 25 students from Witts Springs have indicated that they would attend Marshall School District in the fall.

Ms. Rebick asked about the structure of the new Board. Mr. Vining indicated that during the 2003-2004 school year the new district would be rezoned and would establish the procedure for representation from the Witts Springs community on the new Board.

Ms. Hillman moved approval of the proposed annexation. Ms. Rebick seconded the motion. The motion was adopted unanimously.

Approval of a Revised Public School Fund Budget for FY2003

John Kunkel was recognized to discuss the need for further budget revision. Mr. Kunkel stated that following the adoption of budget revisions by the Board at the June 9, 2003, meeting, the State was the object of a lawsuit from the Fort Smith School District. Attorneys for the Fort Smith School District challenged the legality of reductions in Equalization Aid budget category and seek replacement of funds back into that category for distribution before the end of the fiscal year. Mr. Kunkel indicated that a number of budget options have opened since the June 9th meeting. He pointed out that as the close of the budget year approaches, some budget expenditures remain under projection. This allows the State some flexibility. Such is the case this year. He reviewed those cases as included in the materials distributed.

Given the repayments that must occur and including budget savings in the identified categories, the budget remains underfunded by approximately \$1.806 million according to the most recent revenue forecast.

Mr. Kunkel also indicated that every year for the recent past, State revenue has distributed additional funds in the last few days of the fiscal year. In some years the increase has been between \$4 and \$5 million. The proposed budget does not include such an option, but it remains an optimistic possibility even this year. In view of these conditions, and with the support of an opinion from the Attorney General's Office, staff recommends that a final payment to the Pulaski County desegregation settlement be deferred until final distribution is made. Should funds not be forthcoming to make the final payment, the payment would be deferred until the beginning of the new fiscal year.

Ms. Rebick asked about a large cut in the budget of the licensure area. Mr. Kunkel indicated that program administrators in that area have indicated that those programs are over budgeted for activities to be completed by the end of this fiscal year. That can become an area for budget savings.

Mr. Gordy moved approval of the Budget revisions as proposed. Dr. King seconded the motion. The motion was adopted unanimously.


Other Business

Mr. Simon reported that he was participating in an Advanced Placement (AP) Training workshop in Hot Springs and that interest and enrollment in AP programs seemed to be at an all time high. He said, "It is encouraging to see the number of new AP programs being started for the coming school year." Mr.

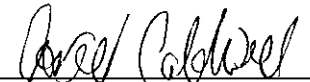
Simon also noted that pre-registration and attendance at professional development sessions were up compared to previous years.

Mr. Gordy moved adjournment. Ms. Rebick seconded the motion. The motion was adopted unanimously. The meeting adjourned at 9:25 a.m.

The Minutes were recorded and reported by Dr. Charles D. Watson.



Raymond Simon, Director



JoNell Caldwell, Chair