
PULASKI COUNTY SCHOOL DESEGREGATION CASE
SETTLEMENT AGREEMENT

March, 1989

(As Revised September 28, 1989)



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I. Introduction

The Little Rock School District ("LRSD") Desegregation Plan (January 31, 1989), the Pulaski County Special School District No. 1 ("PCSSD") Permanent Desegregation Plan (October 3, 1988, as supplemented February 15, 1989), the North Little Rock School District ("NLRSD") Desegregation Plan of March and October, 1986 (as amended or modified through February 15, 1989 or by operation of this settlement agreement) and the Interdistrict Desegregation Plan (February 15, 1989) (the "Plans") hold excellent promise for achieving unitary school systems in these three districts which are free from the vestiges of racial discrimination. Continued litigation regarding funding and other issues may make more difficult and further delay effective implementation of the constitutional obligations of the State of Arkansas and the three Pulaski County school districts (the "Districts"). This settlement of the issues concerning the Districts, the Joshua Intervenors ("Joshua"), the Knight Intervenors ("Knight") and the State of Arkansas in Little Rock School District vs. Pulaski County Special School District, et al, No. LR-C-82-866 and cases consolidated therein and their predecessors ("this Litigation") is in the best interest of the students, patrons and staffs of the Districts and the people of the State.

The superintendents of the Districts support the settlement and it has received the unanimous approval of their respective boards of directors. The business community as represented by the Greater Little Rock Chamber of Commerce also supports the settlement and the Plans. That group has pledged the strong support of its membership to help the Districts achieve many of the goals of the Plans. The black plaintiff intervenors ("Joshua"), the NAACP Legal Defense and Educational Fund, Inc., the Little Rock and North Little Rock chapters of the NAACP and the Greater Little Rock Christian Ministerial Alliance pledge their support to the Plans and this settlement. The settlement is also supported by Knight (LRCTA, PACT, NLRCTA and the AEA). The Arkansas State Board of Education, the Arkansas Department of Education ("ADE") and the Governor of Arkansas support the settlement.

II. General Provisions

A. Magnet Funding Calculation

Each District's magnet students will be included in the calculation of that District's table rate in determining State aid to be paid under the MFPA formula or any future funding formula.

B. Magnet Surplus Credit

Any cash surplus remaining in the magnet school fund for a given fiscal year after all expenses and receivables for that fiscal year have been accounted for (including a payment to the host District for administrative costs) will be returned to the Districts and ADE as follows:

(1) NLRSD will receive the difference between its table rate and \$1,550 multiplied by its average daily membership in the magnet schools for the fiscal year to the extent surplus funds are available;

(2) If additional surplus funds exist following the payment to NLRSD, PCSSD will receive the difference between its table rate and \$1,550 multiplied by its average daily membership in the magnet schools for the fiscal year, to the extent surplus funds are available;

(3) If additional surplus funds exist following the payments to NLRSD and PCSSD,

LRSD will receive the difference between its table rate and \$1,550 multiplied by its average daily membership in the magnet schools for the fiscal year, to the extent surplus funds are available.

(4) If additional surplus funds remain following the payments to NLRSD, PCSSD and LRSD, the ADE will be refunded its magnet operation payments to the extent such funds are available.

This provision will remain in effect for seven years beginning with the 1988-89 school year. The payment to the host District for administration of the magnet schools for the 1988-89 school year will be 3.09% of the magnet school fund. In future years, the payment to the host District for the administration of magnet schools will be the same percentage of the magnet fund as the state-determined percentage of the host District's budget attributable to administrative costs.

C. Magnet Operational Charge

The current per pupil operational charge for magnet students (\$3,100) will remain in force until changed by the Magnet Review Committee, or in the event the Magnet Review Committee is restructured or eliminated, then by agreement of the parties, subject to the review of the district court in any event.

The parties will review the operational charge on an annual basis but will not increase the charge solely for the purpose of creating a surplus. Calculations in paragraphs II.B., VII.A.1. and VIII.A assume a \$3,100 operational charge.

D. Restrictions on Funding Magnet Schools

The State will have no further obligation to contribute any additional funds to magnet schools other than under paragraph II E. below. The Districts' obligation to contribute funds to magnet schools shall be limited to their paying their portion of the costs of the six existing magnet schools pursuant to the Court's order of February 27, 1987. Any reference to the six existing magnet schools in this settlement shall mean, for funding purposes, up to their present seating capacities.

Those seating capacities are as follows:

Carver	-	613
Williams	-	515
Gibbs	-	351
Booker	-	660
Mann	-	935
Parkview	-	991

E. Continuation of Existing Funding

In addition to any payment described elsewhere in this agreement, the State will continue to pay the following costs:

- (1) The State's portion of magnet school operational costs for the six existing magnet schools (Gibbs, Booker, Carver, Parkview, Mann and Williams) using the formula employed by the State during the 1987-88 school year modified by the inclusion of the number of students from each District attending magnet schools in the calculation of that District's table rate for distribution of MFPA;
- (2) Majority to minority student transfer incentive payments to the host and home Districts as described in the August 26, 1986 M to M stipulation;
- (3) The State's share of Magnet Review Committee expenses as currently allocated;
- (4) Transportation to the six existing magnet schools;
- (5) Transportation of majority to minority transfer students between the Districts as described in the August 26, 1986 M to M stipulation; and
- (6) The State's share of any and all programs for which the Districts now receive State funding.

The funds paid by the State under this agreement are not intended to supplant any existing or future funding which is ordinarily the responsibility of the State of Arkansas.

F. Compensatory Education, Early Childhood Education and other Statewide Programs

The settlement payments described in this agreement are exclusive of any funds for compensatory education, early childhood development or other programs that may otherwise be due LRSD (or any successor district or districts to which students residing in territory now within LRSD may be assigned or for the benefit of such students if the State or any other entity becomes responsible for their education), PCSSD or NLRSD under present and future school assistance programs established or administered by the State. The State will not exclude the Districts from any compensatory education, early childhood development, or other funding programs or discriminate against them in the development of such programs or distribution of funds under any funding programs.

G. Conditions to Settlement

This settlement is conditioned upon approval by the Districts' boards of directors (already done) and the State Board of Education (already done), the certification of the classes and class representatives by the court (already done), the

execution of the releases attached hereto as Attachments A, B, C and D, the dismissal of the State from this Litigation with prejudice consistent with the terms of Attachment A, the approval, of the terms of the settlement by the court and the enactment of legislation prior to August 15, 1989 either (1) making provision for the funding of the Settlement or (2) authorizing the Arkansas State Board of Education (State Board) to enter into a consent order which directs the State Board to make the payments which would fund the obligations of the State under the Settlement (already done). As used in this agreement, "final approval" means after all these conditions have been satisfied.

If final approval of this settlement agreement is not obtained, no statement in the agreement may be used for or against any party as an admission of liability or intent.

H. Act 34 Exemption

No sums received by the Districts pursuant to this settlement shall be regarded as included within the definitions of total local resources, net local resources, gross current revenue, or miscellaneous funds pursuant to Ark. Code Ann. Section 6-20-301, et seq. or pursuant to any amendments to those sections which may hereinafter be enacted.

All funds received by the Districts pursuant to this agreement, including any interest or earnings thereon, will be exempt from Sections 8 and 11 of Act 34 of 1983 (A.C.A. Sections 6-20-307 and 6-20-319) as amended or as may be amended, with the following exceptions: (1) For the 1989-90 and later school years, all MFPA funds received by the Districts, as calculated in accordance with A.C.A. §6-20-302 (1987 Supp.), including the portion of that calculation represented by the Districts' magnet students, will not be exempt; and (2) the funds received by the Districts for any compensatory education, early childhood education, and other statewide programs contemplated by paragraph II.F. will be exempt only if the funds are exempt in all other districts in the State, and if so, those funds which are exempt cannot be counted by the Districts as expenditures satisfying Act 34's requirement that 70% of net current revenue be used to pay certified personnel.

I. Staff Development

To facilitate the Plans, the ADE authorizes each District up to four "release days" per year for the 1989-90 and 1990-91 school years. Those would be divided as two release days per semester. Further, two such release days, one per semester, shall be provided for the 1991-92 school year.

These "release days" will have the effect of shortening by four days in each of the first two years and two days in the last year, the student contact/instructional days contained' within the Districts' school calendars. The parties recognize that any detriment which might result from the reduction of contact days will be outweighed by the benefits derived from the staff development training (which will include all appropriate desegregation training and specialized training in strategies designed to reduce the level of achievement disparity between black and white students) and the increased efficiency and competence of the trained teachers.

It is further understood and agreed that these release days shall be in addition to any staff development days currently required or which might be required in the future by ADE or other State authority.

J. Recognition of Autonomy

The State, Joshua and LRSD recognize that PCSSD and NLRSD are independent, sovereign desegregating school districts operating pursuant to court orders and agreements and that this agreement is both necessary and desirable to facilitate their desegregation activities as well as their cooperative desegregation activities with the LRSD and others.

K. District Budgets

The Districts may utilize the receipt of funds paid pursuant to this settlement to balance previous years' budgets and if this is done, neither the previous year's deficit nor such fund usage will be regarded as a violation of State law.

L. Prohibition of Punitive Action

The State shall take no action (including the enactment of legislation) for the purpose of retaliating against the Districts (including retaliatory failure to increase State aid and retaliatory reduction in State aid) because of this litigation or this settlement. The State will enact no legislation which has a substantial adverse impact on the ability of the Districts to desegregate. Fair and rational adjustments to the funding formula which have general applicability but which reduce the proportion of State aid to any of the Districts shall not be considered to have an adverse impact on the desegregation of the Districts.

M. Rededicated Millages

The court ordered on December 29, 1986 (reinstated Jan. 7, 1987) the rededication of certain millages of the Districts. It was the intent of the Districts and the court that all millages due to expire before the year 2007 be rededicated. The motion seeking the extension, however, failed to list

all of the millages and consequently not all of the millages sought to be rededicated have actually been rededicated. The parties agree that the court's order of December 29, 1986 (reinstated January 7, 1987) should be corrected to include all millages of the Districts which would otherwise expire before or during the year 2007. Pursuant to this settlement, a corrected order has been submitted to the court for approval following final approval of the settlement. Upon approval, the order will be delivered to the responsible county officials.

N. Limit of Liability

The State's financial liability under this Settlement beyond that set forth in II.E. and II.F. shall be limited to \$129,750,000 to be paid as set forth in Sections V, VI, VII and VIII herein.

O. Majority to Minority Provisions

(1) In any application for aid pursuant to Section 6 of Act 24 of the 1989 Regular Session of the Arkansas General Assembly, the receiving district for M to M students may include in such application any M to M students it hosts who are eligible for participation pursuant to Section 6(A) of said Act.

(2) The State will continue to make payments under the August 26, 1986 M to M stipulation so that the host district receives its average cost of

educating a student for each M to M transfer student enrolled in the host district.

(3) When at least one Interdistrict School is operating in LRSD and in PCSSD, all M to M payments generated by Interdistrict School students paid by the State to LRSD and PCSSD (including payments to each district as sending district and receiving district), except transportation payments, will be pooled for the education of all Interdistrict School students. The instructional budgets of the Interdistrict Schools will be equalized. This provision does not change each district's obligation to construct and maintain the Interdistrict Schools within its boundaries. The State payments for M to M students not enrolled in Interdistrict Schools will continue in accordance with paragraph (2) above.

(4) Beginning the first year an Interdistrict School is operating in LRSD and PCSSD, PCSSD will contribute \$200,000 per year for five years to the pool of funds to be used by both districts to operate Interdistrict Schools.

P. Consent Order

The parties consent to the entry of an order containing the requirements of Act 1 of 1989, Second Extraordinary Session, to the extent it is not inconsistent with this settlement.

III. State's Role in the Desegregation Process

A. Monitoring Compensatory Education

The State shall be required (as a non-party) to monitor, through the ADE, the implementation of compensatory education programs by the Districts. If necessary as a last resort, ADE may petition the court for modification or changes in such programs being implemented by the Districts (but not for a reduction in the agreed level of State funding). If such petitions are filed, the undersigned parties will not object based upon lack of standing. ADE shall provide regular written monitoring reports to the parties and the court.

Monitoring by the State shall be independent of that of the other parties. It is being done to ensure that the State will have a continuing role in satisfactorily remediating achievement disparities. Any recommendations made by ADE shall not form the basis of any additional funding responsibilities of the State.

A State plan for monitoring implementation of compensatory education will be submitted to the parties within 60 days following execution of the settlement agreement.

B. Statement of Support for the Plans

The State, Districts and Joshua will provide to the court a statement of full support for the Plans

upon final approval of the settlement. This statement of support will not be construed to burden the State with additional funding obligations beyond those existing at the time of the execution of this agreement except those specifically set forth in this agreement.

C. Petition for Election

The State will join LRSD if LRSD petitions the court to allow it to hold a millage election.

D. Statutes and Regulations Affecting Desegregation

The ADE will research and list laws that impede desegregation and submit legislation to repeal such laws to the General Assembly as soon as practicable. ADE will not knowingly promulgate or retain any regulations which impede desegregation, and the other parties will notify ADE of any regulations which they believe would have such an effect. If any regulation is demonstrated to have such an effect, the regulation will be modified or repealed or an exemption will be provided. The Districts, Knight and Joshua will assist the ADE in identifying existing and proposed statutes and regulations that impede desegregation.

E. Elimination of State Funding for the Pulaski County Education Service Cooperative

State funding for the Pulaski County Education Service has ceased and the funds were reallocated

to the Metropolitan Supervisor by order of the Court. Should these funds no longer be required by the Metropolitan Supervisor, they will be used to assist the ADE in securing the services of trained consultants to develop effective compensatory, remedial education programs designed to eliminate achievement disparities between black and white students and for other purposes intended to enhance desegregation.

F. Commitment to Principles

The State remains committed to the following principles:

- a. There should be a remediation of the racial academic achievement disparities for Arkansas students.
- b. Special education classes and gifted and talented classes should not be racially identifiable.
- c. The ADE and the Districts should work cooperatively to promote the desegregation goals of the State and the Districts and to ensure educational excellence in the public schools in Pulaski County and throughout the State.

G. Remediation of Disparities in Academic Achievement

The ADE, with the assistance of the Court's desegregation expert(s), will develop and will search

for programs to remediate achievement disparities between black and white students. If necessary to develop such programs, the ADE will employ appropriately trained and experienced consultants in the field of remediation of racial achievement disparities and/or hire as staff members persons with such training and experience. The remediation of racial achievement disparities shall remain a high priority with the ADE.

H. Test Validation

ADE will conduct periodic reviews of tests used in the State's testing program to determine if students' race, sex, or culture adversely affect their test scores. If bias is found in any test, that test will not be used unless modified to eliminate the bias.

I. In-Service Training

ADE will establish in-service programs to assist in providing training for the staffs of desegregating school districts. Such programs will first be made available to the Districts.

J. Recruitment of Minority Teachers

The Districts will annually supply ADE information identifying the subject areas in which they have actual or foreseeable shortages of minority teachers. The ADE will then obtain from higher education sources information by race on new teacher

graduates in those subject areas and make such information available to the Districts. ADE will seek to increase the pool of minority teachers available to the Districts and to other districts in the state through recruitment efforts both in and out of state, and at the same time shall develop annual profiles of teachers available by race, specialty, subject area and area of certification.

K. Financial Assistance to Minority Teacher Candidates

The ADE will work with the Arkansas Department of Higher Education to reduce any racial disparity that may exist in the distribution of existing scholarships and to secure passage of legislation to financially assist minority students attending Arkansas colleges and universities who commit to become teachers in Arkansas, including scholarships for freshmen and sophomores who are committed to pursuing a teacher-training program and juniors and seniors who have been accepted in teacher education programs.

L. Minority Recruitment for ADE Staff

The ADE will develop and implement a plan to identify jobs and consultant positions within the Department in which minorities are underrepresented and will recruit and employ minority applicants for those positions so as to create a balanced, desegregated staff at all levels.

M. School Construction

The ADE will develop criteria for site selection of new schools, major school expansion and school closings. ADE will require that a district applying to it for approval of new construction or major school expansion provide a desegregation impact statement setting forth evidence that the proposed improvements do not have a segregative effect.

ADE will not recommend or approve the site of any school in any county contiguous to Pulaski County if the construction or expansion of the school at the requested location of such school will have a substantial negative impact on any District's ability to desegregate.

IV. Dismissal of Litigation

A. Dismissal of the State with Prejudice and Release

The State conditions this settlement upon its dismissal from this Litigation with prejudice in accordance with the terms of Attachment A. The settlement is also conditioned upon the full execution of and compliance with the terms of the release of all claims against the State affixed hereto as Attachment A. The settlement of the State's liability, while contingent on the district court's approval, is not contingent upon court approval of any District's plan or a finding of

unitary status for any District. Further, the settlement is contingent upon a determination by the district court that the settlement is binding on the classes of all current, past and future LRSD, PCSSD and NLRSD black students, their parents and next friends. As part of this settlement, the parties stipulate that the Joshua Intervenors are proper class representatives under and otherwise meet the requirements of Rule 23(a) and (b)2 of the Federal Rules of Civil Procedure and support their approval.

The settlement is also conditioned upon the full execution of the releases of the Districts attached as Attachments B, C and D.

The parties pledge to diligently pursue acceptance of the settlement by the court.

B. Agreement Regarding Litigation Among Joshua and the Districts

Joshua releases the Districts of all liability for issues which have been raised, or could have been raised, in this Litigation and commits that there will be no further litigation among or between Joshua, Knight and any of the Districts, other than proceedings to enforce the terms of this settlement or the terms of the Plans.

C. Reserved Issue

The Districts and Joshua contend that ADE has the authority to regulate private schools and should exercise that authority to insure that private

schools comply with the same educational standards that are applicable to public schools. ADE is not persuaded that it is vested with such authority. The parties therefore agree that the issue of State regulation of private schools is not settled by this agreement and may be presented to the court for resolution at a future date. As this settlement provides for the dismissal with prejudice of the State as a party to this Litigation, the ADE agrees to make a special appearance following such dismissal for the sole purpose of responding to a motion filed by any of the Districts or Joshua seeking the resolution of the single question of its legal authority to regulate private schools and require them to comply with certain educational standards. A finding that the ADE has such authority shall not be used by any party as the basis for any State liability for the period prior to such finding.

V. Attorneys' Fees

LRSD agrees to make no additional claims for attorneys' fees and to hold the State, PCSSD and NLRSD harmless for all pending LRSD claims for attorneys' fees against the State, PCSSD and NLRSD. If necessary to enforce the hold harmless agreement, the State will be entitled to deduct the amount of any payment for LRSD attorneys' fees made after the execution

of this agreement from any payment due from the State to LRSD under this agreement more than five months after the attorneys' fees payment is made.

The State, LRSD, PCSSD and NLRSD will pay attorneys' fees and costs to the NAACP Legal Defense and Educational Fund, Inc. (LDF). The fees will be paid upon terms set forth below for the work performed in this Litigation and other litigation which preceded this Litigation beginning with Aaron v. Cooper, Graves v. Board of Education and their progeny. The payment to LDF is on behalf of, and for the work of, all attorneys who have worked with LDF on behalf of the interests of black children in the Districts, to desegregate schools therein, over the duration of the Litigation. The amount is exclusive of the payments heretofore made by any of the parties. The State's portion of the fee will be \$750,000 (Seven Hundred and Fifty Thousand Dollars); the LRSD's portion shall be \$2,000,000 (Two Million Dollars); the PCSSD's portion shall be \$300,000 (Three Hundred Thousand Dollars); and NLRSD's portion shall be \$100,000 (One Hundred Thousand Dollars), which shall include settlement of fees for the voting rights action also pending in this court of which settlement on the merits is contemplated shortly. All such payments shall be due and payable on final approval except for the payments due from the PCSSD and NLRSD. The PCSSD payment shall mature six years from the date of final approval of the settlement. The NLRSD shall make two payments each in the amount of \$50,000 (Fifty Thousand Dollars) no later than 10 days of final approval of

the settlement and July 1, 1990, respectively. The State will advance LRSD's share of the fees and reduce total payments due LRSD under this agreement by that amount. The amounts will be deducted in the final years of payment to LRSD.

The parties are satisfied that over the thirty-three years of this Litigation, Joshua and its predecessor parties, all of whom have been represented by attorneys for the LDF have expended time and incurred costs for which they have not been compensated. The parties are also satisfied, upon a review of their own time records and costs in this Litigation over the last five years, that the payment is fair and reasonable and consistent with the payments made over that period of time to counsel for the other parties. The parties also agree for purposes of this settlement that Joshua is a prevailing party for purposes of relief.

VI. The LRSD Settlement

A. Payment Schedule and Terms

The State will make the following payments to the LRSD (or any successor district or districts to which the territory now within LRSD may be assigned or for the benefit of the students in such territory if the State or any other entity becomes responsible for the education) on or before the dates indicated:

(1) Payments for compensatory education programs and other desegregation expenses will be as follows:

Within 10 days of

Final Approval	\$4,475,000
January 1, 1990	3,475,000
July 1, 1990	4,609,250
January 1, 1991	3,609,250
July 1, 1991	4,747,528
January 1, 1992	3,747,528
July 1, 1992	4,889,954
January 1, 1993	3,889,954
July 1, 1993	5,036,652
January 1, 1994	4,036,652
July 1, 1994	4,057,460
January 1, 1995	3,057,460
July 1, 1995	2,985,131
January 1, 1996	1,985,131
July 1, 1996	1,844,811
January 1, 1997	844,811
July 1, 1997	1,266,770
January 1, 1998	266,770
July 1, 1998	152,387
January 1, 1999	<u>152,387</u>
	\$59,129,886

(2) The State will make additional payments to LRSD totaling \$13,870,114 over a seven year period as set forth below:

Within 10 days of Final Approval	\$2,000,000
7/1/90	\$2,000,000
7/1/91	\$2,000,000
7/1/92	\$2,000,000
7/1/93	\$2,000,000
7/1/94	\$2,000,000
7/1/95	\$1,870,114

These payments are cash equivalent payments in lieu of formula guarantees for LRSD provided for in an earlier signed version of this settlement.

B. Loan Provisions

In addition to the above-mentioned payments, the State agrees to provide loans to LRSD (or any successor district or districts to which the territory now within LRSD may be assigned or for the benefit of the students in such territory if the State or any other entity becomes responsible for their education) between July 1, 1989 and July 1, 1999 in a cumulative amount of not more than \$20,000,000.00 on the following terms:

- (1) Each loan will be amortized over a 20-year period to be paid in full to an escrow account established by the parties as described below with 20

equal annual payments of principal beginning seven years following the execution of the loan;

- (2) No more than \$6,000,000 will be loaned in any biennium and no loan will be made before July 1, 1989;
- (3) Each loan will bear interest beginning seven years following the execution of the loan at the rate of three percent (3%) per annum, such interest to be paid annually at the time of the annual principal payments to an escrow account established by the parties as described below;
- (4) The proceeds of the loans shall be made payable to a trust governed by a trust committee consisting of the Director of the Department of Education (or designee), the LRSD Superintendent (or designee) and a designee of Joshua. The loan proceeds shall be used for desegregation purposes including, but not limited to, school construction or renovation, salaries of instructional personnel, purchase of instructional equipment and supplies, program development and implementation costs,

consultants' fees and and staff development training of LRSD principals and teachers to promote desegregation. The loan proceeds will not be utilized directly or indirectly as a vehicle for generating income for LRSD through higher interest rates;

- (5) The loan(s) will be secured by a first lien in favor of the State on existing, extended or new millages (whichever the State chooses), such first lien to be assured by an opinion letter to the benefit of the State from LRSD's bond counsel;
- (6) LRSD and the State will establish a joint escrow account into which all principal and interest due on loans made under this agreement will be paid. If at any time between the date of this agreement and December 31, 2000 the composite scores of LRSD black students (excluding special education students) on a standardized test agreed upon by the State and LRSD are 90% or greater of the composite scores of LRSD white students (excluding special education students), the escrowed funds will be

paid to LRSD and any outstanding loans will be forgiven. If the 90% goal is not reached by December 31, 2000, the escrow funds will be paid to the State and any outstanding loans will continue to be repaid according to the schedule set forth in this agreement. The intent of this subsection is that LRSD will receive twenty million dollars plus any accrued interest if its goal of increasing student achievement as described in this subsection is reached and that the State will be repaid in full amount of all loans plus interest if LRSD does not reach its goal.

VII. The PCSSD Settlement

A. Financial Settlement

PCSSD and Joshua have asserted claims and potential claims against the State on behalf of PCSSD students relating to miscalculation of MFPA, the State's role in the Granite Mountain transfer and compensatory education needs. The following provisions are made to settle all such claims and any others which have been or could have been made by PCSSD or Joshua against the State on behalf of PCSSD students.

1. Magnet Payments

The ADE shall, beginning with the 1989-90 school year, make payments of school aid for PCSSD magnet students directly to PCSSD which shall in turn reimburse LRSD at the rate of \$1,550 per PCSSD magnet school student being educated in LRSD magnet schools less any magnet surplus credit available under paragraph II.B. herein. The State may, at its option, continue the direct payment to the LRSD of the remaining \$1,550 of magnet school operational costs for PCSSD magnet students or may make such aid payments for PCSSD magnet students directly to PCSSD. If the latter option is selected, then PCSSD shall make total payments to LRSD of \$3,100 per year for each PCSSD magnet student or the appropriate pro rata share of said \$3,100 if such students are magnet students for less than the full school year less any magnet surplus credit available under II.B. herein.

2. Other Payments

(a) The State shall make the following six scheduled payments to PCSSD:

Within 10 days of Final Approval	\$3,000,000
07/01/90	\$3,000,000
07/01/91	\$2,500,000
07/01/92	\$2,500,000
07/01/93	\$2,500,000
07/01/94	\$2,500,000

(b) The State shall make the following payments as cash equivalents in lieu of the Temporary Formula and the transportation aid adjustment set out in an earlier signed version of this settlement:

Within 10 days of Final Approval	\$1,000,000
7/1/90	\$1,500,000
7/1/91	\$2,700,000
7/1/92	\$2,700,000
7/1/93	\$2,700,000
7/1/94	\$2,700,000
7/1/95	\$2,700,000

B. Staff Development

PCSSD is exploring the utility of a program under which all certified staff would experience three college hours of course work in Black History or other similar course offering. PCSSD is exploring and evaluating this concept to facilitate its efforts to reduce the achievement disparity between black and white students.

ADE and PCSSD recognize and understand that such a program, if it required PCSSD to fully fund presently prevailing college tuition charges, would be prohibitively expensive. ADE pledges to use its best efforts to work with appropriate Arkansas colleges and universities to facilitate a special arrangement which would significantly reduce the cost of such a program to PCSSD and

make it financially possible to implement. ADE assumes no additional financial responsibility pursuant to this commitment.

C. Food Services

LRSD agrees to contract with PCSSD for any food products which LRSD can obtain from PCSSD at the same or lower cost than LRSD can obtain the same quality products from other vendors.

D. Housing

ADE agrees to use its best efforts to influence appropriate state agencies to assist PCSSD in its efforts to promote and secure scattered site housing in the PCSSD by securing and providing, to the extent feasible, state owned or controlled land suitable for such use.

VIII. The NLRSD Settlement

NLRSD and Joshua have asserted claims and potential claims against the State on behalf of NLRSD students relating to miscalculation of MFPA and to compensatory education needs. The following provisions are made to settle all such claims and any others which have been or could have been made by NLRSD or Joshua against the State on behalf of NLRSD students.

A. Magnet Payments

The ADE shall, beginning with the 1989-90 school year, make payments of school aid for NLRSD magnet students directly to NLRSD which shall in turn

reimburse LRSD at the rate of \$1,550 per NLRSD magnet school student being educated in LRSD magnet schools less any magnet surplus credit available under paragraph II.B. herein. The State may, at its option, continue the direct payment to the LRSD of the remaining \$1,550 of magnet school operational costs for NLRSD magnet students or may make such aid payments for NLRSD magnet students directly to NLRSD. If the latter option is selected, then NLRSD shall make total payments to the LRSD of \$3,100 per year per each NLRSD magnet student or the appropriate pro-rata share of said \$3,100 if such students are magnet students for less than the full school year less any magnet surplus credit available under paragraph II.B. herein.

B. Compensatory Education Payments

Beginning with the 1989-90 school year and continuing through the 1995-96 school year, the State will, on July 1 of each year, pay NLRSD \$389,025 (a total of \$2,723,175 for the seven year period).

C. Additional Payments

As additional compensatory education assistance, beginning with the 1990-91 school year and continuing through the 1996-97 school year, the NLRSD will receive payments to support the reduction of the percentage of the total black student population that

is in its special education program. The formula for such payments is as follows:

(1) The first step is to determine a Base Year, or starting point, to which placements in further years will be compared. The October 1, 1987 general enrollment data and the December, 1987 special education count will be used to establish this base and calculations pursuant to this formula will be based on those counts in future years. On October 1, 1987, the NLRSD had 4083 black students, including those attending magnet schools, (Total Black Population - "TBP") and 805 black students were in special education, including those attending magnet schools, (Blacks in Special Education - "BSE") in December, 1987. Thus, 19.72% of the District's total black population was in special education ("Black Placement Rate").

(2) Subject to the provisions of paragraph (3) below and solely for determining the amount of these formula payments, the NLRSD will receive the State Base Equalization Rate (SBER) multiplied by the special education weights for the difference between the number of black students actually in special education and the number that would have been in special education if there had been no reduction in the BPR since the Base Year. Because of delayed year financing, the student counts will be taken in school

years 1989-90 through 1995-96 but payments for those counts will be made in 1990-91 through 1996-97 using the payment year's SBER. By way of illustration, if the TBP in 1989-90 is 4212, applying the BPR for the Base Year would result in $.1972 \times 4212$, or 830.6, black students in special education. If the actual number is 772, the District would be entitled to payment for the special education weights (average .714 per student) for 58.6 students, which would result in 41.8 weights.

(3) Since the District cannot control placement decisions in other districts, for purposes of this formula black students who transfer into the NLRSD already placed in special education by their original school district will be excluded from the count of TBP and BSE for their first year of enrollment in the NLRSD to the extent that those incoming transfers exceed black students in special education who transfer from the NLRSD to other districts. For example, if 52 black special education students transfer into the NLRSD between the 1988-89 and 1989-90 school years while only 37 transfer out, 15 black students would be excluded from the TBP and BSE in 1989-90 for the purpose of this formula. Thus, the NLRSD would be counted as only having 4197 TBP instead of 4212 and 757 BSE instead of 772 and would be paid for the special education weights associated

with the difference between 827.6 and 757 BSE, i.e., 70.6.

(4) As further support for the reduction of black students placed in special education and solely for the purpose of determining the amount of the payments, the NLRSD will be entitled to payment for the special education weights associated with the difference between the number of students removed from special education in the NLRSD and placed in the regular program in the NLRSD and those moved from the regular NLRSD program and placed in special education in the NLRSD. For example, if between 1988-89 and 1989-90 the District removed 83 black students from special education and placed 64 in special education, the District would be paid for the special education weights for an additional 19 students, which would result in 13.6 weights.

(5) A list of names (and identification numbers, if available) of the special education students referred to in paragraph 3 and 4 above, will be provided to the Arkansas Department of Education, before any payment is made under these provisions.

(6) Because of delayed year financing, the operation of this formula will not result in any additional funds until 1990-91. Presently, the SBER is \$1,944.55 and, assuming a \$74.00 per year

increase, it would be \$2,018 in 1990-91. Using the above examples, this would generate \$129,757.

(7) The District may continue to receive payments under this formula only through the 1996-97 school year (inclusive) but in no event will the District receive more than \$2,344,055 cumulatively through the operation of this formula. The limit of the State's obligation under this formula is \$1,276,825. If the amount of the payments exceeds \$1,276,825, LRSD and PCSSD agree to pay those excess amounts up to the point that either (a) the over-all payments to NLRSD under this formula reach \$2,344,055 or (b) the expiration of the formula, whichever comes first.

(8) Any payments required of LRSD and PCSSD under paragraph (7) will be shared on the basis of 75% for LRSD and 25% for PCSSD.

(9) If, when the formula expires, the formula has generated less than \$1,276,825, the State will pay the difference between what it has paid and \$1,276,825 to LRSD and PCSSD on the basis of 75% to LRSD and 25% to PCSSD.

(10) Any payments made pursuant to this formula will be separate from the District's usual MFPA payments.

D. Description of Additional Compensatory Education Programs

Within fifteen days of the final approval of this settlement, the NLRSD will develop a description of the compensatory education programs to be developed with the additional compensatory education funds made available through this settlement and will petition the court to amend NLRSD's Plan accordingly. The State, Joshua, and the Districts will support the NLRSD in this effort.

IX. Execution

A. This Pulaski County School Desegregation Case Settlement Agreement of March, 1989, is executed as revised by counsel with authority of their clients this 28th day of September, 1989.

LITTLE ROCK SCHOOL DISTRICT

By: 

Christopher Helley
One of Its Attorneys

* * * * *

PULASKI COUNTY SPECIAL SCHOOL
DISTRICT NO. 1

By: 

M. Samuel Jones
One of Its Attorneys

* * * * *

NORTH LITTLE ROCK SCHOOL
DISTRICT

By: Stephen W. Jones
Stephen W. Jones
One of Its Attorneys

* * * * *

ARKANSAS DEPARTMENT OF
EDUCATION

By: H. William Allen
H. William Allen
One of Its Attorneys

* * * * *

JOSHUA INTERVENORS

By: John W. Walker (by WAB JR)
John W. Walker
One of Their Attorneys

* * * * *

KNIGHT INTERVENORS

By: Paul J. Ward
Paul J. Ward
One of Their Attorneys

RELEASE OF ALL CLAIMS AGAINST THE STATE

For and in consideration of its payments and commitments set forth in the Pulaski County School Desegregation Case Settlement Agreement to which this release is attached (hereafter, "the Consideration"), the undersigned parties do hereby release, acquit and forever discharge the State of Arkansas, its constitutional officers, elected officials, appointees, employees, agencies, departments, their predecessors and successors including, but not limited to, the Arkansas State Board of Education and its members (hereafter collectively referred to as "the Released Parties") of and from any and all actions, causes of action, claims and demands which the undersigned now have or may hereafter have arising out of or in any way related to any acts or omissions of any and every kind to the date of the execution of this release by the released parties which in any way relate to racial discrimination or segregation in public education in the three school districts in Pulaski County, Arkansas or to the violation of constitutional or other rights of school children based on race or color in the three school districts in Pulaski County, Arkansas. It is understood and agreed that the Consideration is valuable and is given in full and final compromise of disputed claims and that the giving of the Consideration is not to be construed as an admission of any liability on the part of any of the Released Parties beyond

the liability found to date by the United States District Court for the Eastern District of Arkansas and the Court of Appeals for the Eighth Circuit and that the terms of this release are contractual and not a mere recital.

It is further understood and agreed that the litigation now pending in the United States District Court for the Eastern District of Arkansas, Western Division, entitled Little Rock School District vs. Pulaski County Special School District No. 1, et al, No. LR-C-82-866 and cases consolidated therein and their predecessors (the "Litigation") is to be dismissed with prejudice as to the Arkansas State Board of Education and the former and current members of that board named in the Litigation.

We have read this release and had it explained to us by our attorneys who have signed as witnesses hereto and we understand that the above referenced payments or commitments are in full and final compromise of any and all claims and causes of action. We understand that in the event all parties for which there is a signature blank below do not sign this release, the release is effective and binding on those parties that do sign.

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
FRIDAY, ELDREDGE & CLARK
200 First Commercial Building
Little Rock, AR 72201

LITTLE ROCK SCHOOL DISTRICT

By _____
President, Board of Directors

By: _____
Christopher Heller
One of its Attorneys

* * * * *

EXECUTED THIS _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
WRIGHT, LINDSEY & JENNINGS
2200 Worthen Bank Building
Little Rock, AR 72201

PULASKI COUNTY SPECIAL SCHOOL
DISTRICT NO. 1

By _____
President, Board of Directors

By: _____
M. Samuel Jones
One of its Attorneys

* * * * *

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
JACK LYON & JONES, P.A.
3400 TCBY Tower
Little Rock, AR 72201

NORTH LITTLE ROCK SCHOOL
DISTRICT

By _____
President, Board of Directors

By: _____
Stephen W. Jones
One of its Attorneys

* * * * *

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
(NAACP) LEGAL AND EDUCATIONAL
DEFENSE FUND, INC.

THE JOSHUA INTERVENORS

By _____
LRSD Class Representative

By _____
Norman J. Chachkin
One of its Attorneys

By _____
President, Little Rock,
Arkansas Branch of the NAACP

and

JOHN W. WALKER, P.A.
1723 S. Broadway
Little Rock, AR 72201

By _____
NLRSD Class Representative
and President of the North
Little Rock, Arkansas Branch
of the NAACP

By _____
John W. Walker
One of its Attorneys

By _____
PCSSD Class Representative

* * * * *

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
MITCHELL & ROACHELL
1014 W. Third
Little Rock, AR 72201

KNIGHT INTERVENORS

By _____
LRCTA Representative

By _____
Richard W. Roachell
One of its Attorneys

By _____
PACT Representative

By _____
NLRCTA Representative

RELEASE OF ALL CLAIMS AGAINST THE LRSD

For and in consideration of its relinquishment of claims and commitments set forth in the Plans and the Pulaski County School Desegregation Case Settlement Agreement to which this release is attached (hereafter, "the Consideration"), the undersigned parties do hereby release, acquit and forever discharge the LRSD, its directors, administrators, appointees, employees, agencies, departments, their predecessors and successors (hereafter collectively referred to as "the Released Parties") of and from any and all actions, causes of action, claims and demands which the undersigned now have or may hereafter have arising out of or in any way related to any acts or omissions of any and every kind to the date of the execution of this release by the released parties which in any way relate to racial discrimination, segregation in public education, or to violations of other constitutional or statutory rights of school children, based on race or color, in the three school districts in Pulaski County, Arkansas. It is understood and agreed that the Consideration is valuable and is given in full and final compromise of disputed claims and that the giving of the Consideration is not to be construed as an admission of any liability on the part of any of the Released Parties beyond the liability found to date by the United States District Court for the Eastern District of Arkansas and the Court of Appeals for the Eighth Circuit and

that the terms of this release are contractual and not a mere recital.

It is further understood and agreed that the litigation now pending in the United States District Court for the Eastern District of Arkansas, Western Division, entitled Little Rock School District vs. Pulaski County Special School District No. 1, et al, No. LR-C-82-866 and cases consolidated therein and their predecessors (including, but not limited to, Cooper v. Aaron, Norwood v. Tucker and Clark v. Board of Education of the Little Rock School District) (the "Litigation") is to be dismissed with prejudice as to the LRSD and the former and current members of its board named in the Litigation. This dismissal is final for all purposes except that the Court may retain jurisdiction to address issues regarding the implementation of the Plans.

We have read this release and had it explained to us by our attorneys who have signed as witnesses hereto and we understand that the above referenced relinquishment of claims and commitments are in full and final compromise of any and all claims and causes of action. We understand that in the event all parties for which there is a signature blank below do not sign this release, the release is effective and binding on those parties that do sign.

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
ALLEN LAW FIRM
A Professional Corporation
1200 Worthen Bank Bldg.
Little Rock, AR 72201

ARKANSAS STATE BOARD OF
EDUCATION

By _____
Chairman, Board of Directors

By: _____
H. William Allen
One of its Attorneys

* * * * *

EXECUTED THIS _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
WRIGHT, LINDSEY & JENNINGS
2200 Worthen Bank Building
Little Rock, AR 72201

PULASKI COUNTY SPECIAL SCHOOL
DISTRICT NO. 1

By _____
President, Board of Directors

By: _____
M. Samuel Jones
One of its Attorneys

* * * * *

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
JACK LYON & JONES, P.A.
3400 TCBY Tower
Little Rock, AR 72201

NORTH LITTLE ROCK SCHOOL
DISTRICT

By _____
President, Board of Directors

By _____
Stephen W. Jones
One of its Attorneys

* * * * *

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
(NAACP) LEGAL AND EDUCATIONAL
DEFENSE FUND, INC.

THE JOSHUA INTERVENORS

By _____
Norman J. Chachkin
One of its Attorneys

By _____
LRSD Class Representative

and

By _____
President, Little Rock,
Arkansas Branch of the NAACP

JOHN W. WALKER, P.A.
1723 S. Broadway
Little Rock, AR 72201

By _____
John W. Walker
One of its Attorneys

By _____
NLRSD Class Representative
and President of the North
Little Rock, Arkansas Branch
of the NAAQP

By _____
PCSSD Class Representative

* * * * *

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
MITCHELL & ROACHELL
1014 W. Third
Little Rock, AR 72201

By _____
Richard W. Roachell
One of its Attorneys

KNIGHT INTERVENORS

By _____
LRCTA Representative

By _____
PACT Representative

By _____
NLRCTA Representative

RELEASE OF ALL CLAIMS AGAINST THE PCSSD

For and in consideration of its relinquishment of claims and commitments set forth in the Plans and the Pulaski County School Desegregation Case Settlement Agreement to which this release is attached (hereafter, "the Consideration"), the undersigned parties do hereby release, acquit and forever discharge the PCSSD, its directors, administrators, appointees, employees, agencies, departments, their predecessors and successors (hereafter collectively referred to as "the Released Parties") of and from any and all actions, causes of action, claims and demands which the undersigned now have or may hereafter have arising out of or in any way related to any acts or omissions of any and every kind to the date of the execution of this release by the released parties which in any way relate to racial discrimination, segregation in public education, or to violations of other constitutional or statutory rights of school children, based on race or color, in the three school districts in Pulaski County, Arkansas. It is understood and agreed that the Consideration is valuable and is given in full and final compromise of disputed claims and that the giving of the Consideration is not to be construed as an admission of any liability on the part of any of the Released Parties beyond the liability found to date by the United States District Court for the Eastern

District of Arkansas and the Court of Appeals for the Eighth Circuit and that the terms of this release are contractual and not a mere recital.

It is further understood and agreed that the litigation now pending in the United States District Court for the Eastern District of Arkansas, Western Division, entitled Little Rock School District vs. Pulaski County Special School District No. 1, et al, No. LR-C-82-866 and cases consolidated therein and their predecessors (including, but not limited to, Zinnamon v. Pulaski County School District, LR-C-68-154) (the "Litigation") is to be dismissed with prejudice as to the PCSSD and the former and current members of its board named in the Litigation. This dismissal is final for all purposes except that the Court may retain jurisdiction to address issues regarding implementation of the Plans.

We have read this release and had it explained to us by our attorneys who have signed as witnesses hereto and we understand that the above referenced relinquishment of claims and commitments are in full and final compromise of any and all claims and causes of action. We understand that in the event all parties for which there is a signature blank below do not sign this release, the release is effective and binding on those parties that do sign.

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
FRIDAY, ELDREDGE & CLARK
2000 First Commercial Bldg.
Little Rock, AR 72201

LITTLE ROCK SCHOOL DISTRICT

By _____
President, Board of Directors

By: _____
Christopher Heller
One of its Attorneys

* * * * *

EXECUTED THIS _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
ALLEN LAW FIRM
A Professional Corporation
1200 Worthen Bank Building
Little Rock, AR 72201

ARKANSAS STATE BOARD OF
EDUCATION

By _____
Chairman, Board of Directors

By: _____
H. William Allen
One of its Attorneys

* * * * *

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
JACK LYON & JONES, P.A.
3400 TCBY Tower
Little Rock, AR 72201

NORTH LITTLE ROCK SCHOOL
DISTRICT

By _____
President, Board of Directors

By _____
Stephen W. Jones
One of its Attorneys

* * * * *

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
(NAACP) LEGAL AND EDUCATIONAL
DEFENSE FUND, INC.

THE JOSHUA INTERVENORS

By _____
Norman J. Chachkin
One of its Attorneys

By _____
LRSD Class Representative

and

By _____
President, Little Rock,
Arkansas Branch of the NAACP

JOHN W. WALKER, P.A.
1723 S. Broadway
Little Rock, AR 72201

By _____
John W. Walker
One of its Attorneys

By _____
NLRSD Class Representative
and President of the North
Little Rock, Arkansas Branch
of the NAAQP

By _____
PCSSD Class Representative

* * * * *

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
MITCHELL & ROACHELL
1014 W. Third
Little Rock, AR 72201

By _____
Richard W. Roachell
One of its Attorneys

KNIGHT INTERVENORS

By _____
LRCTA Representative

By _____
PACT Representative

By _____
NLRCTA Representative

RELEASE OF ALL CLAIMS AGAINST THE NLRSD

For and in consideration of its relinquishment of claims and commitments set forth in the Plans and the Pulaski County School Desegregation Case Settlement Agreement to which this release is attached (hereafter, "the Consideration"), the undersigned parties do hereby release, acquit and forever discharge the NLRSD, its directors, administrators, appointees, employees, agencies, departments, their predecessors and successors (hereafter collectively referred to as "the Released Parties") of and from any and all actions, causes of action, claims and demands which the undersigned now have or may hereafter have arising out of or in any way related to any acts or omissions of any and every kind to the date of the execution of this release by the released parties which in any way relate to racial discrimination, segregation in public education, or to violations of other constitutional or statutory rights of school children, based on race or color, in the three school districts in Pulaski County, Arkansas. It is understood and agreed that the Consideration is valuable and is given in full and final compromise of disputed claims and that the giving of the Consideration is not to be construed as an admission of any liability on the part of any of the Released Parties beyond the liability found to date by the United States District Court for the Eastern District of Arkansas and the Court of Appeals for the Eighth

Circuit and that the terms of this release are contractual and not a mere recital.

It is further understood and agreed that the litigation now pending in the United States District Court for the Eastern District of Arkansas, Western Division, entitled Little Rock School District vs. Pulaski County Special School District No. 1, et al, No. LR-C-82-866 and cases consolidated therein and their predecessors (including, but not limited to, Graves v. Board of Education of North Little Rock School District and Davis v. Board of Education of the North Little Rock School District (the "Litigation") is to be dismissed with prejudice as to the NLRSD and the former and current members of its board named in the Litigation. This dismissal is final for all purposes except that the Court may retain jurisdiction to address issues regarding implementation of the Plans.

We have read this release and had it explained to us by our attorneys who have signed as witnesses hereto and we understand that the above referenced relinquishment of claims and commitments are in full and final compromise of any and all claims and causes of action. We understand that in the event all parties for which there is a signature blank below do not sign this release, the release is effective and binding on those parties that do sign.

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
FRIDAY, ELDREDGE & CLARK
2000 First Commercial Bldg.
Little Rock, AR 72201

LITTLE ROCK SCHOOL DISTRICT

By _____
President, Board of Directors

By: _____
Christopher Heller
One of its Attorneys

* * * * *

EXECUTED THIS _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
WRIGHT, LINDSEY & JENNINGS
2200 Worthen Bank Building
Little Rock, AR 72201

PULASKI COUNTY SPECIAL SCHOOL
DISTRICT NO. 1

By _____
President, Board of Directors

By: _____
M. Samuel Jones
One of its Attorneys

* * * * *

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
ALLEN LAW FIRM
A Professional Corporation
1200 Worthen Bank Bldg.
Little Rock, AR 72201

ARKANSAS STATE BOARD OF
EDUCATION

By _____
Chairman, Board of Directors

By _____
H. William Allen
One of its Attorneys

* * * * *

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
(NAACP) LEGAL AND EDUCATIONAL
DEFENSE FUND, INC.

THE JOSHUA INTERVENORS

By _____
Norman J. Chachkin
One of its Attorneys

By _____
LRSD Class Representative

and

By _____
President, Little Rock,
Arkansas Branch of NAACP

JOHN W. WALKER, P.A.
1723 S. Broadway
Little Rock, AR 72201

By _____
John W. Walker
One of its Attorneys

By _____
NLRSD Class Representative
and President of the North
Little Rock, Arkansas Branch
of the NAACP

By _____
PCSSD Class Representative

* * * * *

EXECUTED this _____ day of _____, 1989 by:

WITNESSED AND APPROVED:
MITCHELL & ROACHELL
1014 W. Third
Little Rock, AR 72201

By _____
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KNIGHT INTERVENORS

By _____
LRCTA Representative

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