

____Norris Cain ____Daniel Gray ____Ron McDaniel ____Carol Miles
____Richard Moss ____Robert Price ____LaConda Watson



Jacksonville | North Pulaski
SCHOOL DISTRICT

Regular School Board Meeting
Jacksonville City Hall
August 3, 2015

- | | |
|-----------|--|
| 6:30 p.m. | 1. Call to Order—President Daniel Gray |
| 6:35 | 2. Roll Call—Secretary Carol Miles |
| 6:40 | 3. Pledge of Allegiance—Vice President Ron McDaniel |
| 6:45 | 4. Approval of the Minutes of the July 7, 2015
Board Meeting |
| 6:50 | 5. Public Comments |
| 7:00 | 6. Consideration of Detachment Agreement—Tony Wood and
Scott Richardson |
| 7:10 | 7. Superintendent's Report—Mr. Wood |
| | 8. Adjournment |

Date: August 3, 2015

Jacksonville North Pulaski School District

Action Item: Approval of Minutes

Prepared by: Phyllis Stewart, Chief of Staff

Rationale: School boards are required to record and transcribe minutes of meetings and keep as a permanent record.

Cost: N/A

Funding Source: N/A

Recommendation: The Administration recommends approval of the minutes of the July 7, 2015 Board meeting.

Recommended By:

Tony Wood
Superintendent

Jacksonville North Pulaski School District
Regular School Board Meeting
Jacksonville City Hall
July 7, 2015

<u>Call to Order</u>	President Gray called the meeting to order at 6:30 pm.
<u>Present</u>	Daniel Gray, Ron McDaniel, Carol Miles, Richard Moss, Dr. Robert Price, LaConda Watson and Superintendent Bobby Lester
<u>Absent</u>	Norris Cain
<u>Pledge of Allegiance</u>	Mr. McDaniel led the group in the Pledge of Allegiance.
<u>Introduction of New Administrators</u>	<p>Superintendent Tony Wood introduced the following new administrators working in JNPSD schools for the 2015-16 school year:</p> <p>Jeremy Owoh, Assistant Superintendent for Curriculum and Instruction Jacob Smith, Principal, North Pulaski High Terrod Hatcher, Assistant Principal, North Pulaski High Katrina Mimms, Assistant Principal, Jacksonville High Mike Hudgeons, Principal, Jacksonville Middle School Dr. Taniesa Moore, Principal, Tolleson Elementary Angela Stewart, Principal, Arnold Drive Elementary</p>
<u>Minutes</u>	Mr. McDaniel moved, seconded by Ms. Watson, approval of the minutes from the June 1, 2015 Board meeting. The motion carried unanimously.
<u>Public Comments</u> Gwendolyn Harper	Gwendolyn Harper, member of the Jacksonville NAACP education committee, read a letter the group submitted to Dr. Jerry Guess, PCSSD Superintendent, opposing JNPSD's recommendation of Bobby E. Lester as the assistant superintendent for human resources and support services. The letter expressed the group's discontent that the JNPSD Board did not consider the interview committee's scoring of the applicants.
Amanda Erickson	Jacksonville Middle School special education teacher Amanda Erickson expressed concern that the new salary schedule did not recognize and compensate teachers with advanced degrees.

- Rick Kron Rick Kron, a teacher at Dupree Elementary, said the proposed pay schedule was an insult to more experienced Jacksonville teachers. He suggested the Board meet PCSSD's fringe benefit package and get closer to their salary schedule.
- Crystalyn Savage Another Jacksonville Middle School special education teacher Crystalyn Savage expressed concern that the new pay scale was more beneficial to first year teachers.
- PCSSD Briefings
Brad Montgomery In an update on the relocation of Jacksonville Middle School, Mr. Brad Montgomery, PCSSD Director of Maintenance, said 95 percent of the teacher materials had been moved to designated classrooms, new signage was at the site, a portable was moved from Cato Elementary to the campus to house the alternative learning classroom, lockers had been painted and improvements were made to the parking lot.
- Charles Blake Mr. Charles Blake, PCSSD Director of Transportation, reported the move of Jacksonville Middle School to the former Northwood facility would require Jacksonville High School and North Pulaski High School to adjust their start times by 20 minutes later and Jacksonville Middle School would need to start 15 minutes later. He said transporting all relocated Jacksonville Middle School students required an additional 14 buses. In addition, some buses will be at the former middle school location to transport students until parents and students become more familiar with the transportation system.
- Legal Update Legal counsel Scott Richardson said work on details of the detachment agreement separating the operations of both districts continued. He explained the importance of the document called for close scrutiny of the language. Mr. Scott also said Judge Marshall had scheduled a status hearing to address desegregation issues on July 20, 2015.

Consideration of
2016-17 Salary
Schedules,
Administrator Index
Schedule, Stipends
and Fringe Benefits

Superintendent Wood and Beverly Williams, the District's human resources consultant, presented the proposed 2016-17 salary schedules for licensed and classified personnel as well as the administrator index schedule, stipends and fringe benefits.

The proposed schedule for licensed employees starts at \$38,000 and ends at \$55,500. The education credit maximum is a master's degree plus 15 hours. In a comparison of 19 other districts of similar size, JNPSD placed ninth highest in pay for beginning teachers and ranked 14th-highest in salaries for the most experienced teachers.

The schedules proposed for classified personnel were categorized by position, contract days and a minimum and maximum rate.

It should be noted the maximum salary for licensed employees is 80.6 percent of the maximum salary on the PCSSD schedule. The same is true for the classified schedules. The fringe benefits for eligible employees are at least a monthly contribution of \$153 toward health insurance and \$12 toward dental insurance.

Board members said they wished the pay scales were higher, but based on projected revenue the District had to ensure its sustainability. They pledged to monitor for possible revisions throughout the 2015-16 school year.

Mr. McDaniel moved, seconded by Ms. Watson, to approve the 2016-17 licensed and classified employee salary schedules, the administrator index schedule, the stipends and the fringe benefits with a review at the appropriate time. The motion carried five to one. Mr. Moss voted no.

Requests for
Qualifications

Mr. Wood explained that in planning school facility projects, school districts issue Requests for Qualifications to select qualified architectural firms and construction management firms. He said with the community's interest in a building program and the need for a millage increase to support that program in the spring of 2016, the District needed to advertise for those

qualified firms and then schedule a work session for the Board to conduct interviews.

Mr. McDaniel moved, seconded by Dr. Price, to solicit Requests for Qualifications for architectural and engineering firms and construction management firms. The motion carried five to one. Mr. Moss voted no.

Personnel

Mr. McDaniel moved, seconded by Ms. Watson, to move into executive session to discuss personnel. The motion carried unanimously.

The Board reconvened in open session at 8:26 p.m.

Dr. Price moved, seconded by Mr. Moss, to accept Mr. Bobby E. Lester's letter declining the position of assistant superintendent for human resources and support services. The motion carried unanimously.

President Gray acknowledged Mr. Wood's request to address the group.

Superintendent Wood said no one liked the 2016-17 salary schedules. He told the group he understood the hardship it placed on families, but it didn't change his responsibility to establishing and maintaining a viable school district. He said there was some hard work ahead and to be successful would require everyone's best efforts. He acknowledged the Board's courage in moving forward saying it was personal and difficult for them. Mr. Wood supported a review of the District's financial condition when more information was available.

Adjournment

With no other business before the Board, Mr. McDaniel moved, seconded by Mr. Gray, for adjournment. The motion carried unanimously and the meeting was adjourned at 8:33 p.m.

Daniel Gray, President

Carol Miles, Secretary

Date: August 3, 2015

Jacksonville North Pulaski School District

Action Item: Consideration of Detachment Agreement

Prepared by: Phyllis Stewart, Chief of Staff

Rationale: For several months, JNPSD and PCSSD have been negotiating a detachment agreement to comply with State Board of Education directives. The deadline set by the State Board for submitting the agreement has long passed with the parties unable to reach an agreement.

The creation of a new school district from territory of an existing district is a first for our state. No one could predict the complexity of such a detachment agreement or the number of hours spent discussing and debating the details.

The districts have finally reached agreement. There was compromise on both sides, and we believe we can work within the framework of the agreement.

Cost: N/A

Funding Source: N/A

Recommendation: The Administration recommends approval of the Agreement Between PCSSD and JNPSD Concerning the Detachment of JNPSD from PCSSD as presented.

Recommended By:

Tony Wood
Superintendent

AGREEMENT BETWEEN PCSSD AND JNPSD CONCERNING THE DETACHMENT OF JNPSD FROM PCSSD

The Pulaski County Special School District (PCSSD) and Jacksonville/North Pulaski School District (JNPSD) do hereby agree as follows.

PREAMBLE. The following document is intended to represent the parties' agreement for a detachment plan which, together with the parties' preliminary agreement identified below, includes agreement on all five general subjects identified in paragraph 10 of the State Board of Education order of November 13, 2014, creating JNPSD. In presenting this agreement the parties recognize and acknowledge that each will bargain in good faith attempting to agree upon any issues germane to detachment that are left unresolved by this document.

1. STATUTORY AND ADMINISTRATIVE DIRECTION. The State Board, following the dictates of Ark. Code Ann. §6-13-1505, approved the creation of JNPSD by detachment from PCSSD. The creation order specified that JNPSD would continue under the administration of PCSSD during a transition period not to exceed two consecutive years. It was, and is, anticipated that the transition period will continue until July 1, 2016, at which point JNPSD is to become fully operational.

2. PRELIMINARY AGREEMENT. Both the statutory authorization and the order of creation direct the parties to attempt to resolve the issues of detachment and express them in written agreements. The first step in that direction was the parties' initial agreement on detachment issues approved by the Court in Doc. 5088 on December 22, 2014 and by the State Board on January 8, 2015. The parties' intention is to make the present document as all-inclusive and complete as they can. In so doing, however, they do not intend to reject all that has gone before. Therefore, the preliminary agreement will control only as to subjects not dealt with herein, and to the extent that it does not conflict with this document. Neither do the parties intend that this

agreement constitute a waiver by them of their rights to present additional agreements to the State Board for approval, or disputes to it for resolution.

3. A SUPERINTENDENT-DESIGNATE FOR JNPSD. The aforesaid initial agreement authorized the Commissioner, with the advice and consultation of the initial JNPSD board of directors, to select and employ a superintendent-designate for JNPSD, a chief of staff, and legal counsel. Bobby Lester and Phyllis Stewart, respectively, were selected and employed by PCSSD to serve JNPSD in those capacities. Patrick Wilson was contracted as legal counsel for JNPSD. The identification herein of such persons, as well as the leadership persons mentioned below, as employees of PCSSD during the transition period is not intended to indicate their subservience to the PCSSD administration, or to detract from their loyalty to JNPSD. The only subject matters excluded from this sovereignty delegation are those dealing with Plan 2000 compliance and *LRSD, et al. v. PCSSD, et al.*, for the 2015-16 school year in the areas of administration that remain with PCSSD and then only to the extent set forth in the preliminary agreement.

4. A SUPERINTENDENT FOR JNPSD. At its February 2, 2015 meeting the board of directors for JNPSD selected an executive search firm, McPherson & Jacobson of Omaha Nebraska, to facilitate its search for a superintendent to succeed superintendent-designate Lester. On April 16, 2015, the JNPSD board selected Tony Wood from a list of applicants presented by the search firm. The parties agree that Wood has been employed through PCSSD to serve as JNPSD superintendent for the 2015-16 school year. Any future action on Mr. Wood's employment contract must be approved by the Commissioner.

5. EMPLOYMENT OF THE JNPSD SUPERINTENDENT. As was the case with superintendent-designate Lester and chief of staff Stewart, the contract between PCSSD and the

JNPSD superintendent has been approved by the Commissioner of Education. The JNPSD superintendent will be employed through PCSSD until July 1, 2016. Salary, PCSSD established fringe benefits, and reasonable and necessary office expenses for the superintendent will be paid by PCSSD and will not be reimbursed to PCSSD by JNPSD. JNPSD will reimburse PCSSD contract costs associated with McPherson and Jacobson, as well as all other payments by PCSSD to independent contractors utilized by JNPSD between its creation and June 30, 2016.

6. JNPSD LEADERSHIP COMPENSATION; REIMBURSEMENT FOR EXPENSES. PCSSD has paid and continues to pay substantial personnel and consultant expenses for the benefit of JNPSD. It was the parties' intent in the preliminary agreement, and is their intent now, that PCSSD absorb only the direct leadership expenses of JNPSD during the transition period, and that it be reimbursed for all other expenses of JNPSD during the transition period. The phrase "direct leadership expenses" means those expenses related to the employment of Bobby G. Lester and Phyllis Stewart during the 2014-15 school year, as well as payment for the legal services rendered during that time by Patrick Wilson as attorney for JNPSD. The "direct leadership expenses" phrase will also include all those payments related to the employment of Tony Wood, Phyllis Stewart, and one additional classified employee, for whom PCSSD shall provide an annual salary up to \$65,000 and fringe benefits. JNPSD will reimburse PCSSD for this classified employee's annual salary to the extent it exceeds \$65,000. Additionally, PCSSD shall absorb the legal services rendered by Scott Richardson during the 2015-16 school year. PCSSD will also absorb an allowance for office expenses during the 2015-16 school year¹ not to

¹ It is the parties' intent in regard to legal representation for JNPSD during the transition period that PCSSD will pay and absorb the expense of a single attorney, and will pay, but be reimbursed by JNPSD, for all other legal representation as JNPSD chooses to utilize. JNPSD is presently using two attorneys, Patrick Wilson and Scott Richardson. The parties agree that PCSSD will absorb the expense for Patrick Wilson's time paid during the 2014-15 school year and be reimbursed for all Wilson's charges on and after July 1, 2015; and, PCSSD will absorb the expense

exceed \$25,000. Finally, PCSSD will absorb all expenses related to the employment of Jeremy Owoh by PCSSD as JNPSD assistant superintendent during the 2015-16 school year. All other expenses incurred by PCSSD for the benefit of JNPSD during the 2014-15 and the 2015-16 school years shall be reimbursed to PCSSD by JNPSD. Reimbursements, regardless of the reason therefor, will be, where possible, made by true up and deduction from other amounts due JNPSD as prescribed herein and specifically in paragraph 11 below.

7. GOVERNANCE OF JNPSD DURING AND AFTER THE TRANSITION PERIOD. The parties agree that board governance of JNPSD during and after the transition period will be at the discretion of JNPSD pursuant and subject to state and federal law.

8. MILLAGE NECESSARY TO OPERATE JNPSD. The parties agree that JNPSD can fund operation of JNPSD schools on revenue from (A) 40.7 mills levied on the real, personal, and utility property assessed within the boundaries of the district; (B) other sources of local revenue common to Arkansas school districts; (C) various sources of state financial aid to which the district will be entitled, and (D) various sources of federal aid to which the district will be entitled. Some additional revenue will be needed to support upgrading school facilities in JNPSD. Additional study by JNPSD and community leadership, in consultation with architects, engineers, and fiscal agents, along with input from Arkansas Department of Education staff, will be needed to determine revenue needed to support facilities improvements.

9. DISTRIBUTION OF ASSETS AND LIABILITIES.

[A] Definition of “Distribution on a Per Student Basis.” When used in regard to distribution of assets and liabilities between PCSSD and JNPSD, the phrase “distribution on a per student basis” shall be defined as: Distribution on the basis of a

for Scott Richardson’s time during the 2015-16 school year but be reimbursed for Richardson’s time during the 2014-15 school year.

ratio computed by dividing the average number of students residing in each of the school districts (JNPSD or PCSSD) for the first three quarters of average daily membership in the 2015-2016 school year by the combined (JNPSD and PCSSD) total average daily membership in the first three quarters of the 2015-2016 school year. The average daily membership for each district, when combined, shall equal the total average daily membership of PCSSD for the first three quarters of 2015-2016, as calculated by ADE based on the cycle submission reports submitted by PCSSD during the 2015-2016 school year. Representatives of PCSSD and JNPSD shall determine, based on student residence, the average daily membership for each district and the total shall agree with the average membership computed by ADE.

[B] JNPSD As A Fully Operational School District. On July 1, 2016, JNPSD shall assume all remaining authority and responsibility for delivery of all educational, operational, administrative, and financial services of and for JNPSD and will be considered fully operational.

[C] Timeline Prior to July 1, 2016. PCSSD shall provide JNPSD information described in paragraphs [E] and [F] of this subsection no later than March 15, 2016, and discussions to implement provisions of paragraphs [E] and [F] of this subsection shall begin no later than December 1, 2015.

[D] Purchase of Assets and Payment of Detachment Amount. On July 1, 2016, JNPSD shall purchase the real property assets identified on Exhibit "A", The Detached Assets Exhibit (referred to herein as the "Detached Assets"), for the purchase price of \$10,809,050 (referred to herein as the "Detachment Amount"), which the districts shall present to the State Board for approval. The Detachment Amount shall be an amount that

will (i) permit JNPSD and PCSSD to comply with Ark. Code Ann. §6-13-1505(c), (ii) permit PCSSD to comply with the documents authorizing the indebtedness used to finance the Detached Assets, and (iii) permit PCSSD to comply with the federal tax restrictions that apply to the sale and disposition of bond financed property. JNPSD agrees to waive any claim for payment or interest in any real property situated outside the geographic boundaries of JNPSD. PCSSD agrees to waive any claim for payment or interest in any real property situated within the geographic boundaries of JNPSD except as provided in paragraph 12. JNPSD has published a budget and necessary tax levy to support operation of JNPSD for the 2016-17 school year. Such budget includes debt service millage necessary to support the issuance of bonds to finance the purchase of the Detached Assets. The tax levy necessary to support the published 2016-17 budget will be presented to the voters at the 2015 annual school election. If the voters approve the millage in the school election described above, JNPSD shall pay to PCSSD the Detachment Amount as soon as practical on or after July 1, 2016. If voters do not approve the budget and tax levy, including authorization to sell bonds, in the 2015 annual school election, JNPSD shall make payments on the Detachment Amount pursuant to an amortization schedule mutually agreed to by both JNPSD and PCSSD, which amortization schedule is attached hereto as Exhibit "B" and incorporated herein by reference. Until approved, JNPSD will continue to seek voter approval for the issuance of bonds to finance the Detached Assets as frequently as permitted by law. JNPSD will not issue bonds for any purpose unless it has previously or contemporaneously paid the Detachment Amount to PCSSD.

[E] Transfer of Detached Assets. On July 1, 2016, or as soon thereafter as JNPSD tenders the Detachment Amount or is otherwise contractually obligated to pay the

Detachment Amount to PCSSD, PCSSD shall transfer title and ownership of the Detached Assets to JNPSD, and JNPSD shall obtain possession and ownership of the Detached Assets. The transfer shall be consistent with all applicable rules and regulations of state law and the Internal Revenue Code. The transfers shall be documented through such deeds, assignments, or bills of sale as necessary to effect the transfer. PCSSD shall deliver to JNPSD all information possessed by PCSSD regarding the Detached Assets transferred to JNPSD, without limitation, such as asbestos assessments and abatement records, blue prints, as-built building plans, equipment manuals and operating instructions, buildings and grounds information such as acreage, square footage, insured values, licenses for operation of equipment, software licenses (where possible and allowable by the software manufacturer), and plans for maintenance, repair, and upgrading buildings and grounds.

[F] Personalty Supporting PCSSD District Level Services. All personal property (excluding school buses) located in North Transportation Compound, South Transportation Compound, Central Maintenance and Warehouse Facility, Central Office, Fuller Annex and any other non-school facility supporting district level services, shall be inspected by representatives of PCSSD and JNPSD for the purpose of identifying and agreeing as to the property to be transferred to JNPSD. The above-mentioned personal property should not be considered as a complete listing of all personal property.

[G] Other Personalty. Any property that cannot be allocated by the above informal agreement process will be valued and funds will be distributed to the school district not receiving the property based on that district's student ratio as defined in this section pertaining to "distributed on a per-student basis."

[H] Certain iPads And Related Accessories. PCSSD acquired 2900 iPads and related accessories during the 2014-15 school year at a cost of \$1,545,729. PCSSD intends to obtain, through lease, Chromebooks and additional iPads for the 2015-16 school year. PCSSD will pay JNPSD \$750,000 as JNPSD's share of the money expended in 2014-15 and to be expended in 2015-16 for the 1:1 initiative. JNPSD in turn waives any claim to any of the personal property purchased or leased in either 2014-15, or 2015-16, in the 1:1 initiative, and waives any claim to additional payment therefore.

[I] Personalty Supporting PCSSD District-Wide Special Education Services. Specialized personal property (excluding school buses) owned by PCSSD and used to support district-wide special education services, regardless of the location, shall be allocated based on a student ratio determined from the December 1, 2015, count of special education students. All other processes identified above will pertain to special education related personal property. Special education related personal property located at Northwood Middle School will be included in this method of allocation.

[J] School Buses. JNPSD will be allotted a total number of school buses based on the per student basis. All school buses will be characterized as either general education school buses or special education school buses. JNPSD will be allotted special education buses based on a student ratio calculated by using the December 1, 2015 count of special education students. The general education school buses allotted to JNPSD will be calculated by subtracting the special education buses from the total number of school buses, in accordance with the processes outlined above. Additionally, the specific school buses transferred will be assigned proportionally based on age and condition, including but not limited to mileage and wear and tear.

[K] Encumbered Personal Property. The parties are aware that some of the personal property to be divided hereunder is encumbered by security interests, leases, or otherwise. It is the parties' intention that such personal property be divided subject to any such encumbrance. That is, the encumbrance shall follow the property so that the party retaining or obtaining possession of the property shall be solely responsible for satisfying the terms of the encumbrance. All such property and encumbrances shall be identified by PCSSD at the time of division. Each party agrees to indemnify the other against any loss on account of a default on the encumbrance.

10. DISTRIBUTION OF DUTIES AND RESPONSIBILITIES.

[A] Beginning with State Board approval of this agreement, JNPSD shall assume responsibility for 2017-19 state Academic Facilities Partnership funding for JNPSD school facilities.

[B] Beginning with State Board approval of this agreement, and with the approval of the PCSSD Board/Commissioner of Education whenever necessary and the JNPSD Board whenever necessary, the JNPSD superintendent shall make all decisions, in consultation with the PCSSD superintendent, regarding planning for all instructional programs to be delivered in JNPSD during the 2016-17 fiscal year, including any necessary, preliminary steps in the 2015-16 fiscal year.

[C] The PCSSD budget for 2015-16 has been prepared and will be submitted to the Commissioner for approval either in the September board book, or by special agenda item, then to ADE for final approval by September 30, 2015. PCSSD shall provide financial reports as requested by JNPSD during the transition period. The JNPSD superintendent may opt to have PCSSD forego certain expenditures related to JNPSD that

are budgeted and would otherwise be expended. If so, and if approved by the PCSSD Board/Commissioner of Education, the actual monetary savings of such decision shall be paid to JNPSD when cash balances are allocated on July 1, 2016.

[D] Throughout the 2015-16 fiscal year, the JNPSD superintendent shall be an integral part of the PCSSD Facilities Board. The JNPSD superintendent shall be a voting member of the PCSSD Facilities Board throughout development and administration of the 2015-16 PCSSD facility sustainment, restoration, and modernization (SRM) projects.

11. OTHER PCSSD PAYMENTS TO JNPSD; REIMBURSEMENT TO PCSSD.

[A] Advance Payment From PCSSD To JNPSD. On July 1, 2016 PCSSD shall pay \$4,500,000 to JNPSD as an advance payment on any and all monies due under this agreement from PCSSD to JNPSD.

[B] Unrestricted Fund Balances. Twenty-three and one half percent (23.5%) of all fund balances arising from unrestricted revenue sources, less the aforementioned \$4,500,000 pre-payment, shall be distributed from PCSSD to JNPSD as JNPSD's share of the June 30, 2016 unrestricted legal fund balance. There will be interim "true-ups" of June 30, 2016 unrestricted fund balances on August 10, 2016, and September 10, 2016, and upon acceptance of the Legislative Audit of PCSSD for the 2015-16 fiscal year, whereby any necessary adjustments in distribution of fund balances between PCSSD and JNPSD shall be made. Any transfers of cash resulting from the true-ups will be made within 10 days of the true-up. Upon acceptance of the Legislative Audit of PCSSD for the 2015-16 fiscal year, any necessary adjustments in distribution of fund balances between PCSSD and JNPSD shall be made. The JNPSD share of fund balances shall be the sum of (a) the JNPSD share of restricted and unrestricted fund balances described in this paragraph and

(b) any additions or subtractions arising from other paragraphs of this agreement or State Board actions. PCSSD shall provide JNPSD financial reports requested by the JNPSD superintendent in preparation for distribution of fund balances. If this provision requires a true-up payment from JNPSD to PCSSD of greater than \$500,000, then the funds will be repaid pursuant to a schedule agreed upon at that time, as long as the total amount owed is repaid in full within ten months of the true-up.

[C] Fund Balances From Restricted Revenue Sources. Fund balances arising from restricted revenue sources shall be distributed from PCSSD to JNPSD on the basis of funding source requirements applicable to each such revenue source. If no applicable requirements exist for any particular fund (excluding the building fund), the balance shall be distributed on a per-student basis.

[D] Building Fund Balances. The building fund balances on June 30, 2016, less any and all amounts resulting from second lien bond issues during the 2015-16 school year, and less any amounts necessary to fulfill contractual commitments existing on June 30, 2016, shall also be divided on a per student basis.

[E] Payment of 2016-2017 Desegregation Revenue. During the 2016-17 school year, PCSSD shall pay JNPSD a share of the \$20,804,500 of state desegregation revenue. The division will be 74% PCSSD and 26% JNPSD. Under this distribution, the payment to JNPSD will total \$5,409,170. Payments from PCSSD to JNPSD will be on the same payment schedule PCSSD receives the revenue from the state.

[F] Payment of 2017-2018 Desegregation Revenue. During the 2017-2018 school year, PCSSD shall pay JNPSD a share of the \$20,804,500 of state desegregation revenue. The division will be 74% PCSSD and 26% JNPSD. Under this distribution, the

payment to JNPSD will total \$5,409,170. Payments from PCSSD to JNPSD will be on the same payment schedule PCSSD receives the revenue from the state.

[G] Reimbursement of Donaldson Scholars Academy Payments. An amount which represents JNPSD's share of the third and final payment of \$3,333,333 to the Donaldson Scholars Academy for the 2016-17 school year will be deducted from each state desegregation payment. JNPSD's share of the \$3,333,333 payment will be \$666,667.

[H] Allocation of Student Counts. Representatives of PCSSD and JNPSD shall allocate the actual student counts used for funding purposes and all of those will be actual counts from 2015-2016. Allocation will be determined based on the residence of the student. ADE will be provided the allocated numbers, which will total what they have for the PCSSD 2015-2016 counts, and they will remit payments to each district based on those allocations.

[I] PCSSD Legal Transfers Pursuant To 2014 Global Desegregation Settlement. JNPSD shall accept a per-student share of the PCSSD responsibility for approving legal transfers to LRSD and NLRSD as required of PCSSD by the desegregation settlement agreement entered into on November 21, 2013 and approved by the Court on January 13, 2014.

12. HOMER ADKINS PRE-K CENTER. PCSSD shall continue administering the Pre-K programs funded with ABC and HIPPY grants for the combined PCSSD and JNPSD school districts, in the same manner as they are now being administered. The Homer Adkins Pre-K Center located in JNPSD will continue to be used solely for the Pre-K program(s) serving both districts. All employees funded by the grant or by the district-match required by the grant will be

employees of PCSSD. This includes certified instructors, administrators and support staff necessary for the program(s), including custodial personnel. JNPSD will be responsible for providing the insurance, utility, and internet services required for the Homer Adkins facility and will be reimbursed for the utility and internet service costs by PCSSD on a quarterly basis. JNPSD will not be reimbursed for the insurance costs. JNPSD will be responsible for the maintenance and repair of the Homer Adkins facility. In addition, JNPSD will be responsible for all building related costs in other JNPSD school locations that house Pre-K programs funded with ABC and HIPPIY grants and will not be reimbursed those costs by PCSSD. The personalty located in Homer Adkins Pre-K will remain on-site for use in the Pre-K program(s) serving both districts. This arrangement shall continue through at least the 2017-2018 school year. If either PCSSD or JNPSD opts to discontinue this arrangement following the 2017-2018 school year, its board of directors must provide written notice to the other district and the grantor no later than January 31 of the year prior to change. In the event the grant programs are discontinued, all grant property will be divided by the grantor. Property purchased with grant funds will go back to the grantor, and any other property will be divided between the districts at the sole discretion of the grantor.

13. JUNE 30, 2016 IT MILLAGE FUND. PCSSD shall transfer 15% of the June 30, 2016, IT Millage Fund (Fund 5000 Dedicated M&O) to JNPSD. The initial transfer will occur July 1, 2016, with subsequent adjustments (true-ups) occurring August 10, 2016, September 10, 2016, and upon acceptance of the Legislative audit of PCSSD for the 2015-16 fiscal year.

14. STAFFING PLAN FOR DETACHED PCSSD AND JNPSD.

[A] PCSSD Plan For Non-renewing Its Employees Assigned To JNPSD Schools. The Commissioner has adopted a PCSSD personnel policy amendment,

contained in Exhibit "C", the Twin Seniority Center Policies Exhibit, which will permit PCSSD to limit movement of licensed and non-licensed employees during the 2015-16 school year between post-detachment PCSSD facilities and JNPSD facilities. The policies also call for timely non-renewal of the PCSSD contracts of employees at JNPSD facilities to permit those persons to seek other employment, including JNPSD employment.

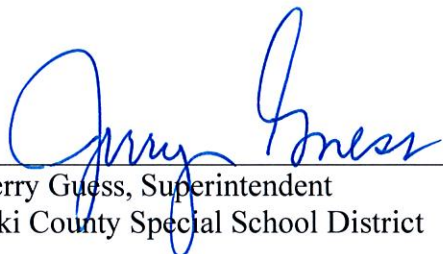
[B] JNPSD Staffing Plan. JNPSD has previously submitted its staffing plan to the Commissioner of Education. The staffing plan commits JNPSD to comply with the desegregation obligations in PCSSD's Plan 2000. JNPSD has developed a salary schedule and benefits package that is competitive with school districts of similar size in Central Arkansas. The JNPSD superintendent has begun designing a central administrative office structure and has begun selecting key staff to work during the 2015-16 school year as the district prepares for detachment. JNPSD will select principals by early 2016 and will begin the process of staffing schools. Beginning early 2016, PCSSD will implement its Reduction in Force Policy. Any PCSSD employee will have the opportunity to apply for any position in JNPSD for which he or she is qualified. Applications will be screened by JNPSD staff and interviews scheduled. JNPSD reserves the right to hire the best-qualified candidates without regard to previous employment in PCSSD.

[C] As specified in paragraph 6 hereof, during the transition period, all employees assigned to what will be JNPSD when it becomes fully operational shall continue to be considered employees of PCSSD and shall be paid by PCSSD. Any consultants for JNPSD shall be paid by PCSSD, but PCSSD shall recoup monies paid to

such consultants through the allocation or division of assets between PCSSD and JNPSD at the conclusion of the transition period.

15. TRANSFER AND MAINTENANCE OF STUDENT AND EMPLOYEE RECORDS. On or before July 1, 2016, PCSSD shall transfer to JNPSD all records that must follow a student that transfers from one school to another school pertaining to PCSSD students residing in the territory of JNPSD. All other records pertaining to former PCSSD students that resided in JNPSD territory shall be retained and maintained by PCSSD until such time as JNPSD has a records retention system and available storage space. PCSSD shall keep and maintain all PCSSD employee records.

THEREFORE, BE IT AGREED.



Dr. Jerry Guess, Superintendent
Pulaski County Special School District

7/29/15

Date

Tony Wood - subject to Bond action

Tony Wood, Superintendent
Jacksonville North Pulaski School District

7-29-15

Date

APPROVED AS TO FORM:



Johnny Key, Commissioner of Education

7/29/15

Date

THE DETACHED ASSETS EXHIBIT

The “Detached Assets” referred to in the Agreement Between PCSSD and JNPSD Concerning the Detachment of JNPSD From PCSSD include the real property identified below:

Arnold Drive Elementary School
Bayou Meto Elementary School and adjoining land
Dupree Elementary School
Homer Adkins Pre-K Center
Jacksonville High School
Jacksonville Middle School
North Pulaski High School
Pinewood Elementary School
Taylor Elementary School
Tolleson Elementary School
Transportation North

	A	B	C	D	E	F	G	H	I	J	K
1	Amortization Schedule										
2	Original Principal		\$ 10,809,050								
3	Interest Rate		4.00%								
4	Term -Years		18								
5											
6		Payment	Total			Principal					
7	<u>Payment Date</u>	<u>Number</u>	<u>Payment Amt.</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>					
8	1-Aug-17	1	432,362.00	432,362.00	-	10,809,050.00	Assumes 12 months of interest				
9	2/1/2018	2	816,683.78	216,181.00	600,502.78	10,208,547.22	Assumes 1/18 of Principal Balance, Six months of interest				
10											
11	8/1/2018	3	204,170.94	204,170.94	-	10,208,547.22					
12	2/1/2019	4	804,673.72	204,170.94	600,502.78	9,608,044.44					
13											
14	8/1/2019	5	192,160.89	192,160.89	-	9,608,044.44					
15	2/1/2020	6	792,663.67	192,160.89	600,502.78	9,007,541.67					
16											
17	8/1/2020	7	180,150.83	180,150.83	-	9,007,541.67					
18	2/1/2021	8	780,653.61	180,150.83	600,502.78	8,407,038.89					
19											
20	8/1/2021	9	168,140.78	168,140.78	-	8,407,038.89					
21	2/1/2022	10	768,643.56	168,140.78	600,502.78	7,806,536.11					
22											
23	8/1/2022	11	156,130.72	156,130.72	-	7,806,536.11					
24	2/1/2023	12	756,633.50	156,130.72	600,502.78	7,206,033.33					
25											
26	8/1/2023	13	144,120.67	144,120.67	-	7,206,033.33					
27	2/1/2024	14	744,623.44	144,120.67	600,502.78	6,605,530.56					
28											
29	8/1/2024	15	132,110.61	132,110.61	-	6,605,530.56					
30	2/1/2025	16	732,613.39	132,110.61	600,502.78	6,005,027.78					
31											
32	8/1/2025	17	120,100.56	120,100.56	-	6,005,027.78					
33	2/1/2026	18	720,603.33	120,100.56	600,502.78	5,404,525.00					
34											
35	8/1/2026	19	108,090.50	108,090.50	-	5,404,525.00					
36	2/1/2027	20	708,593.28	108,090.50	600,502.78	4,804,022.22					
37											
38	8/1/2027	21	96,080.44	96,080.44	-	4,804,022.22					
39	2/1/2028	22	696,583.22	96,080.44	600,502.78	4,203,519.44					
40											
41	8/1/2028	23	84,070.39	84,070.39	-	4,203,519.44					
42	2/1/2029	24	684,573.17	84,070.39	600,502.78	3,603,016.67					
43											
44	8/1/2029	25	72,060.33	72,060.33	-	3,603,016.67					

EXHIBIT B

	A	B	C	D	E	F	G	H	I	J	K
45	2/1/2030	26	672,563.11	72,060.33	600,502.78	3,002,513.89					
46											
47	8/1/2030	27	60,050.28	60,050.28	-	3,002,513.89					
48	2/1/2031	28	660,553.06	60,050.28	600,502.78	2,402,011.11					
49											
50	8/1/2031	29	48,040.22	48,040.22	-	2,402,011.11					
51	2/1/2032	30	648,543.00	48,040.22	600,502.78	1,801,508.33					
52											
53	8/1/2032	31	36,030.17	36,030.17	-	1,801,508.33					
54	2/1/2033	32	636,532.94	36,030.17	600,502.78	1,201,005.56					
55											
56	8/1/2033	33	24,020.11	24,020.11	-	1,201,005.56					
57	2/1/2034	34	624,522.89	24,020.11	600,502.78	600,502.78					
58											
59	8/1/2034	35	12,010.06	12,010.06	-	600,502.78					
60	2/1/2035	36	612,512.83	12,010.06	600,502.78	(0.00)					
61											
62	Total Payments		15,132,670.00	4,323,620.00	10,809,050.00						

JNPSD DETACHMENT – CERTIFIED

1. On September 16, 2014, a majority of voters in the proposed Jacksonville-North Pulaski area voted to detach that territory from the PCSSD to form a new school district. On November 13, 2014, the State Board of Education ordered the creation of the Jacksonville-North Pulaski School District (“JNPSD”).
2. There are ten existing PCSSD schools within the boundaries of the new JNPSD. They are: Jacksonville High, North Pulaski High, Jacksonville Middle, Adkins Pre-K, Arnold Drive Elementary, Bayou Meto Elementary, Dupree Elementary, Pinewood Elementary, Taylor Elementary, and Tolleson Elementary.
3. This is a new policy applicable to the staffing of the certified employees necessitated by the detachment of JNPSD, which is anticipated to become final on July 1, 2016. The overriding policy will be that each certified staff person will have the same teaching, administrative, or other assignment in the same building on June 30, 2016, that each person had on July 1, 2015. While JNPSD is a separate school district with its own school board, it presently operates for all purposes just as it did before detachment, *i.e.*, as a part of Pulaski County Special School District (PCSSD). This is anticipated to remain unchanged until July 1, 2016. Until that date, all certified staff members are and will remain subject to the certified policies of PCSSD. The contractions, expansions, and other movements of the certified staff between now and June 30, 2016, will be managed without regard to the detachment.
4. Beginning immediately, those schools that will become part of the new JNPSD (as identified in paragraph 2), on the one hand, and those schools remaining within PCSSD, on the other hand, shall be treated as separate seniority centers so that there will be no movement of personnel between the two seniority centers. The intent of this provision is that a person assigned to one seniority center can exercise seniority only within the seniority center to which that person is assigned regardless of the purpose for exercising seniority.
5. The following shall be an exception to the preceding paragraph. A person displaced and unable to be placed by seniority in that person’s seniority center, and therefore facing reduction in force, shall have a preferential right to interview for a vacancy for which licensed and otherwise qualified in the other seniority center.
6. On or before May 1, 2016, PCSSD will issue notice of non-renewal of the 2015-16 contract to all employees then assigned to the JNPSD schools identified in paragraph 2. The reason

for the non-renewal will be to prevent the automatic renewal of such persons' PCSSD contracts on May 1, 2016. Employees subject to this non-renewal will not be placed on a recall list.

7. The uninterrupted employment of former PCSSD personnel by JNPSD will be a matter solely within the discretion of JNPSD and the former PCSSD employees. However, former PCSSD employees not employed by JNPSD will be eligible to apply for vacant positions for the 2016-17 school year in PCSSD.
8. To the extent this policy produces outcomes that conflict with or undermine PCSSD's efforts to comply with Plan 2000, and specifically Section L: Staffing, the administration shall have discretion to transfer employees from one seniority center to another if such a transfer would further PCSSD's efforts to obtain unitary status.
9. All provisions of the existing PCSSD certified personnel policies in conflict or inconsistent with this policy shall be considered amended to remove the conflict or inconsistency.

JNPSD DETACHMENT – CLASSIFIED

1. On September 16, 2014, a majority of voters in the proposed Jacksonville-North Pulaski area voted to detach that territory from the PCSSD to form a new school district. On November 13, 2014, the State Board of Education ordered the creation of the Jacksonville-North Pulaski School District (“JNPSD”).
2. There are ten existing PCSSD schools within the boundaries of the new JNPSD. They are: Jacksonville High, North Pulaski High, Jacksonville Middle, Adkins Pre-K, Arnold Drive Elementary, Bayou Meto Elementary, Dupree Elementary, Pinewood Elementary, Taylor Elementary, and Tolleson Elementary.
3. This is a new policy applicable to the staffing of the classified employees necessitated by the detachment of JNPSD, which is anticipated to become final on July 1, 2016. The overriding policy will be that each classified staff person will have the same assignment in the same building on June 30, 2016, that each person had on July 1, 2015. While JNPSD is a separate school district with its own school board, it presently operates for all purposes just as it did before detachment, *i.e.*, as a part of Pulaski County Special School District (PCSSD). This is anticipated to remain unchanged until July 1, 2016. Until that date, all classified staff members are and will remain subject to the classified policies of PCSSD. The contractions, expansions, and other movements of the classified staff between now and June 30, 2016, will be managed without regard to the detachment.
4. Beginning immediately, those schools that will become part of the new JNPSD (as identified in paragraph 2), on the one hand, and those schools remaining within PCSSD, on the other hand, shall be treated as separate seniority centers so that there will be no movement of personnel between the two seniority centers. The intent of this provision is that a person assigned to one seniority center can exercise seniority only within the seniority center to which that person is assigned regardless of the purpose for exercising seniority.
5. The following shall be an exception to the preceding paragraph. A person displaced and unable to be placed by seniority in that person’s seniority center, and therefore facing reduction in force, shall have a preferential right to interview for a vacancy for which otherwise qualified in the other seniority center.

6. On or before May 31, 2016, PCSSD will issue notice of non-renewal of the 2015-16 contract to all employees then assigned to the JNPSD schools identified in paragraph 2. The reason for the non-renewal will be to prevent the automatic renewal of such persons' PCSSD contracts. Employees subject to this non-renewal will not be placed on a recall list.
7. The uninterrupted employment of former PCSSD personnel by JNPSD will be a matter solely within the discretion of JNPSD and the former PCSSD employees. However, former PCSSD employees not employed by JNPSD will be eligible to apply for vacant positions for the 2016-17 school year in PCSSD.
8. To the extent this policy produces outcomes that conflict with or undermine PCSSD's efforts to comply with Plan 2000, and specifically Section L: Staffing, the administration shall have discretion to approve transfers from one seniority center to another if such a transfer would further PCSSD's efforts to obtain unitary status.
9. All provisions of the existing PCSSD classified personnel policies in conflict or inconsistent with this policy shall be considered amended to remove the conflict or inconsistency.