

BEFORE THE ARKANSAS STATE BOARD OF EDUCATION

1. On April 10, 2014, during a regular meeting of the Arkansas State Board of Education (State Board), the State Board conducted a hearing for the purpose of considering the involuntary administrative consolidation of the Stephens School District of Columbia, Nevada and Ouachita Counties with one (1) or more school districts.

2. The School Board Presidents and Superintendents of the following school districts were notified of the hearing by regular U.S. Mail, certified mail, and electronic mail on March 6, 2014:

- a. Camden Fairview School District;
- b. Magnolia School District;
- c. Nevada School District; and
- d. Stephens School District.

3. The following individuals appeared at the hearing:

- a. Mr. Clay Fendley, on behalf of the Stephens School District;
- b. Ms. Whitney Moore, on behalf of the Camden Fairview, Magnolia and Nevada school districts;
- c. Ms. Terry Teutsch, on behalf of the McNeil Community;
- d. Superintendent Patsy Hughey, on behalf of the Stephens School District;
- e. Mayor Harry Brown, on behalf of the Stephens Community; and
- f. Mayor Henry Warren, on behalf of the McNeil Community.

4. The State Board conducted the hearing pursuant to the legal authority and jurisdiction vested in the State Board by Ark. Code Ann. §§ 6-11-105, 6-13-1601 et seq., 6-13-1401 et seq. and the Arkansas Department of Education Rules Governing the Consolidation an Annexation of School Districts.

FINDINGS OF FACT

5. Ark. Code Ann. § 6-13-1602(1) requires the Arkansas Department of Education (ADE) to publish a list of all school districts with fewer than three hundred fifty (350) students according to the school district average daily membership in the school year immediately preceding the current school year.

6. For the 2011-2012 school year, the Stephens School District had an average daily membership of 333.54 students.
7. On July 25, 2012, the ADE included the Stephens School District on a list published in accordance with Ark. Code Ann. § 6-13-1602(1).
8. Ark. Code Ann. § 6-13-1602(2) requires the ADE to publish a consolidation list of all school districts with fewer than three hundred fifty (350) students according to the school district average daily membership in each of the two (2) school years immediately preceding the current school year.
9. For the 2012-2013 school year, the Stephens School District had an average daily membership of 344.32 students.
10. On August 9, 2013, the ADE included the Stephens School District on a list published in accordance with Ark. Code Ann. § 6-13-1602(2).
11. The Stephens School District is subject to a federal desegregation order in the case of *Runyan v. McNeil School District, et al.*, Case No. 1:69-cv-00042, U.S. District Court, Western District of Arkansas (El Dorado).
12. The Stephens School District did not submit a voluntary petition for annexation or consolidation by March 1, 2014.

CONCLUSIONS OF LAW AND ORDER

13. Pursuant to Ark. Code Ann § 6-13-1603(a)(1), any school district that appears on the ADE's consolidation list under Ark. Code Ann. § 6-13-1602, may voluntarily agree to administratively consolidate with, or be annexed to, another school district or districts in accordance with the requirements and limitations of Ark. Code Ann. § 6-13-1603.
14. Any school district on the consolidation list choosing to voluntarily administratively consolidate or annex shall submit a petition for approval to the State Board by March 1 immediately following publication of the list. (Ark. Code Ann. § 6-13-1603(a)(2)). As noted above, the Stephens School District did not submit a voluntary petition for annexation or consolidation by March 1, 2014.
15. Any school district on the consolidation list that does not submit a voluntary petition for annexation or consolidation shall be administratively consolidated by the State Board with or into one (1) or more school districts by May 1, to be effective July 1 immediately following the publication of the list required under Ark. Code Ann. § 6-13-1602. (Ark. Code Ann. § 6-13-1603(a)(3)).
16. Pursuant to Ark. Code Ann. § 6-13-1603(a)(3)-(4), the State Board must administratively consolidate the Stephens School District with or into one (1) or more school districts by May 1, 2014, to be effective by July 1, 2014. The State Board must take this action in order to enable

the affected school districts to reasonably accomplish any resulting administrative consolidation by July 1, 2014.

17. The Stephens School District, together with its territory, is hereby administratively consolidated as follows:

- a. That part of the Stephens School District which is located in Ouachita County shall be consolidated with the Camden Fairview School District;
- b. That part of the Stephens School District which is located in Columbia County shall be consolidated with the Magnolia School District; and
- c. That part of the Stephens School District which is located in Nevada County shall be consolidated with the Nevada School District.

18. The consolidation shall be effective on July 1, 2014. As of that date, the Stephens School District shall be dissolved and the following school districts established:

- a. The Camden Fairview School District;
- b. The Magnolia School District; and
- c. The Nevada School District.

19. The administrative consolidation of the Stephens School District, as set forth above, will create resulting districts with average daily memberships exceeding three hundred fifty (350) students.

20. The resulting Camden Fairview, Magnolia and Nevada school districts shall have no more than one (1) superintendent each.

21. In the resulting Camden Fairview, Magnolia and Nevada school districts, the millage rates shall be determined as set forth in Ark. Code Ann. § 6-13-1409.

22. The assets and liabilities of the Stephens School District shall be assigned as set forth in Ark. Code Ann. § 6-13-1407. Specifically, the real property of the Stephens School District shall be distributed as follows:

- a. That part of the Stephens School District's real property which is located in Ouachita County shall become the real property of the Camden Fairview School District;
- b. That part of the Stephens School District's real property which is located in Columbia County shall become the real property of the Magnolia School District; and
- c. That part of the Stephens School District's real property which is located in Nevada County shall become the real property of the Nevada School District.

The personal property and equipment belonging to the Stephens School District shall become the personal property and equipment of the Camden Fairview, Magnolia and Nevada school districts subject to the further agreement of those three (3) school districts as to the ultimate disposition of the personal property and equipment.

23. Pursuant to Ark. Code Ann. § 6-13-1603(k) and Ark. Code Ann. § 6-13-1415(d)(2), an interim board of directors is hereby established as follows:

a. The existing board of directors of the Camden Fairview School District shall serve as the interim school board for the existing Camden Fairview School District and for that part of the Stephens School District which is located in Ouachita County;

b. The existing board of directors of the Magnolia School District shall serve as the interim school board for the existing Magnolia School District and for that part of the Stephens School District which is located in Columbia County; and

c. The existing board of directors of the Nevada School District shall serve as the interim school board for the existing Nevada School District and for that part of the Stephens School District which is located in Nevada County.

24. The resulting Camden Fairview, Magnolia and Nevada school districts shall form permanent boards of directors pursuant to Ark. Code Ann. § 6-13-1603(k) and Ark. Code Ann. § 6-13-1417.

25. The ADE, on behalf of the State Board, shall file this order with:

(a) The county clerks of Columbia, Nevada and Ouachita counties;

(b) The Arkansas Secretary of State; and

(c) The Arkansas Geographic Information Office.

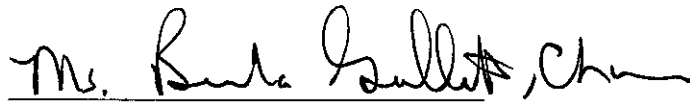
26. Pursuant to Ark. Code Ann. § 6-13-1404, the Columbia, Nevada and Ouachita county clerks shall make permanent records of this order in their respective offices.

27. The ADE, on behalf of the State Board, shall make changes to the maps of the school districts to properly show the boundary lines of the resulting school districts.

28. The State Board enters this order pending approval by the presiding federal judge in the case of *Runyan v. McNeil School District, et al.* Pursuant to Ark. Code Ann. §§ 6-13-1408 and 6-13-1603(c), and based upon an advisory opinion of the Arkansas Attorney General's Office, the ADE General Counsel, in consultation with the Arkansas Office of the Attorney General, is directed to seek such approval.

IT IS SO ORDERED.

SIGNED AND EXECUTED by the undersigned Chair of the Arkansas State Board of Education
on this 11th day of April, 2014.

A handwritten signature in black ink that reads "Ms. Brenda Gullett, Chair". The signature is written in a cursive style with a horizontal line underneath the name.

Ms. Brenda Gullett, Chair
Arkansas State Board of Education