

Handout C2

K-12 Alternative Learning Environments

2022 ADEQUACY STUDY

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Prepared for the Interim Senate Committee on Education
and the Interim House Committee on Education



2022 Adequacy Report



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Introduction

Education in Arkansas is largely funded on a per-student basis through foundation funding. Because some students do not learn well in the traditional classroom environment, Arkansas supplements foundation funding with three types of categorical funding, one of which is Alternative Learning Environments (ALE).

This report focuses on alternative learning environments in Arkansas's K-12 public schools, including ALE program requirements, oversight, and funding and delivery of ALE. This report also examines the students who participate in ALE and the use of resources to meet their needs.

NATIONAL CONTEXT

The current definition of alternative learning used by the U.S. Department of Education's National Center for Educational Statistics is "a public elementary/secondary school that addresses needs of students that typically cannot be met in a regular school, provides nontraditional education, serves as an adjunct to a regular school, or falls outside the categories of regular, special or vocational education."¹ The National Center for Education Statistics elaborates that students at risk of educational failure are those "as indicated by poor grades, truancy, disruptive behavior, pregnancy, or similar factors associated with temporary or permanent withdrawal from school."²

The focus on at-risk students is the defining factor for most of the 43 states and the District of Columbia with statutorily described alternative education, all of which embody their own definition.³ Yet, while the target population and overall goals are similar, alternative learning environments encompass myriad forms. Various researchers list everything from prisons and hospital schools to virtual and language immersion schools.⁴

Researcher Mary Ann Raywid in 1994 developed a classification structure for the United States' alternative education programs:⁵

Type I – Schools students chose to attend (magnet schools, for example) that emphasized innovative programs and strategies

Type II – Often known as last-chance schools as students are typically sent to them as a last step before expulsion or detention

Type III – Schools that are remedial and therapeutic in nature

Raywid redefined this framework in 1998, again including three types of schools and programs:⁶

Change the student – programs that attempt to fix the student. They are often highly structured and contain therapeutic components.

Change the school – innovative schools that focus on changing the curriculum and the instructional approach with an emphasis on a positive school climate.

Change the educational system – these are movements to change the entire educational system. Examples are the small-school and school-within-a-school movements.

¹ "How Do States Define Alternative Education?" by A. Porowski, R. O'Conner and J.L. Luo, National Center of Education Evaluation and Regional Assistance, Institute of Education Sciences, U.S. Department of Education, September 2014.

² "How Do States Define Alternative Education?"

³ "How Do States Define Alternative Education?"

⁴ "Critical Analysis of Accountability Policy in Alternative Schools: Implications for School Leaders" by Lynn M. Hemmer, Journal of Educational Administration, January 2013.

⁵ "An Examination of School Climate in Effective Alternative Programs" by M.M. Quinn, J.M. Poirier, S.E. Faller, R.A. Gable and S.W. Tonelson, Preventing School Failure, Fall 2006.

⁶ "An Examination of School Climate in Effective Alternative Programs."

According to the National Alternative Education Association, “[n]ontraditional and alternative education delivers innovative 21st Century approaches to teaching and learning which provide students with the opportunity to meet graduation requirements, engage in college and career readiness, and participate as productive members of their communities.”⁷ To enhance the quality of alternative education across the United States, the National Alternative Education Association (NAEA) has identified and crafted fifteen exemplary practices in the field. According to the NAEA, the exemplary practices were developed from research on productive alternative programs and the wisdom of alternative educators, and represent a national effort to develop a common core of principles. Additionally, the Association has identified specific indicators of quality programming that signify meeting each of the identified exemplary practices. The NAEA indicates both the exemplary practices and the indicator are essential to quality alternative education programming.

According to a 2018 report by Momentum Strategy and Research, an organization “whose leadership has been working to impact alternative education related policy and practice for more than a decade,” alternative education varies widely both across and within states. Programs may operate as stand-alone schools or as programs within schools, focusing on one or more of a variety of student needs and populations. Nearly half serve high school students, a third serve both high school and middle school students, and about 14% are K-12 programs. Primary missions listed by the schools include dropout recovery, credit recovery, special education or operating in a residential facility.⁸

ARKANSAS POLICY BACKGROUND

According to A.C.A. § 6-48-102, all school districts in Arkansas are to provide their students with access to an alternative learning environment (ALE) by one (1) or more of the following methods:

- Establish and operate an alternative learning environment (this can be a stand-alone school or a school-imbedded program)
- Cooperate with one or more other school districts to establish and operate an alternative learning environment
- Use an alternative learning environment operated by an education service cooperative
- Partner with an institution of higher education or a technical institute

As part of its series of education reforms in response to the Arkansas Supreme Court’s 2002 *Lake View* decision, in which the court declared the state’s education funding system to be unconstitutional, the General Assembly passed legislation to provide funding that addressed issues of adequacy and equity in Arkansas’s education system. One of those pieces of legislation provided funds for alternative learning environments through Act 59 of the Second Extraordinary Session of 2003. Now codified as A.C.A. § 6-20-2305(b)(2)(A), ALE funding is to help cover the additional costs involved “to eliminate traditional barriers to learning for students.”⁹

ALE Funding

Arkansas supplements foundation funding with ALE categorical funding to support students who do not learn well in a traditional classroom environment. Because categorical funds are intended to supplement resources needed for populations of students with special needs, it is money provided above the foundation funding amount. Act 59 set an initial level of ALE funding at \$3,250 per ALE

⁷ “Exemplary Practices 2.0: Standards of Quality and Program Evaluation 2014,” National Alternative Education Association, 2014.

⁸ “Alternative School Options across the US,” Momentum Strategy & Research, October 2018.

⁹ Act 59, 2003

student to support a teacher-pupil ratio of 1 to 15 for ALE students.¹⁰ That same year, the General Assembly appropriated nearly \$16 million for ALE funding, increasing the existing \$3 million annual appropriation for alternative education to almost \$19 million.

According to A.C.A. § 6-20-2305(b)(2), funding for ALE is the amount authorized by law multiplied by the number of identified ALE students enrolled during the previous school year. Funding is distributed based on rules promulgated by the State Board of Education.

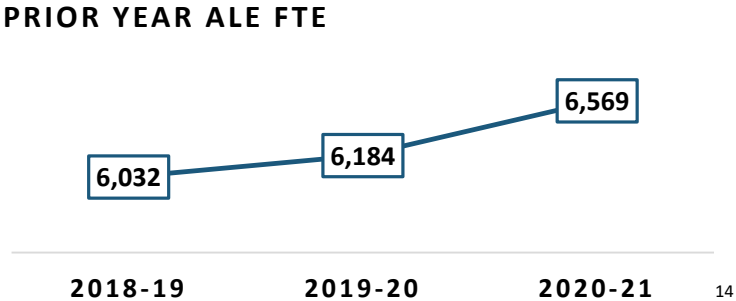
Per DESE “Rules Governing Student Special Needs Funding,” districts receive funding for full-time equivalent students (FTEs).¹¹ Except for a few years, FTEs have included only those students who are in the alternative learning environment for 20 consecutive days.¹² (For a brief period, the law was changed to 20 days total, but was changed back to consecutive days in 2011 by Act 1118.) While some students may attend alternative learning environments for a full day for the full year, many attend the program for partial days and/or for part of the year. This is accounted for in the FTE calculation:

School Year	ALE Categorical Per Pupil Amount
2020-21	\$4,700
2021-22	\$4,794
2022-23	\$4,890

$$\frac{\text{Total number of days in ALE}}{\text{Total number of school days}} \times \frac{\text{Hours per day in ALE}}{6 \text{ hours}}$$

DESE provides guidance around placement percentages, clarifying that alternative learning environments are intended to meet the needs of the hardest-to-reach 2-3%¹³; however, these caps are not stipulated in rules or statute.

Current year funding is based on the previous year’s count of full-time equivalent ALE students. The chart below provides the prior year ALE FTE totals for the funding years shown.



The majority of school districts receive ALE funding, while the majority of charter schools have obtained waivers from the state so they do not have to provide the services and therefore do not receive funding for ALE. However, one charter school, Graduate Arkansas, has received funding for the last three school years.

¹⁰ While Act 59 of 2003 did not establish a teacher-pupil ratio for ALE students, it did require that funding for students in alternative learning environments "be distributed based on rules promulgated by the State Board of Education."
¹¹ Division of Elementary and Secondary Education "Rules Governing Student Special Needs Funding," Rules §§4.02.4-4.02.6 (July 2020).
¹² See Ark. Code Ann. § 6-48-104(a)(1)(B) (providing that DESE rules shall establish criteria that "identifies the characteristics of students who may be counted for the purpose of funding an alternative learning environment program including without limitation that a student is educated in the alternative learning environment for a minimum of twenty (20) consecutive days").
¹³ Alternative Education Process Guide (November, 2021).
¹⁴ DESE State Aide Notices (2019 and 2020 Final, 2021 Preliminary).

ALE Programs

According to state rules, ALE programs must submit to the Division of Elementary and Secondary Education (DESE) every three years a program description that documents the program’s compliance with A.C.A. § 6-48-101 *et seq.*, as well as DESE rules. Program approval is contingent on satisfactory review of the program description, annual report data, and assurance statement submission.¹⁵

	2018-19	2019-20	2020-21
Districts & Charters that received ALE Categorical funding	211	212	213

The Alternative Education Unit (AEU) within DESE approves and oversees public school ALE programs across the state. According to the AEU website, “through leadership that strongly encourages the development of meaningful research-based intervention programs for Arkansas students, Alternative Education aims to renew the hope of at-risk students for a brighter future.”¹⁶

The DESE “Rules Governing Student Special Needs Funding,” specifically Section 4.00 Special Needs - Alternative Learning Environment (ALE), outline ALE program requirements and the criteria used for distributing ALE categorical funds to school districts. The AEU developed an Alternative Education Process Guide in May 2021 to supplement rules, which assists users with the various aspects of the alternative education process, and provides a list of sample forms with directions that can be used to satisfy regulatory compliance. Additionally, the guide includes best-practice suggestions.

The Alternative Education Process Guide provides a clarifying note regarding the use of the terms Alternative Education (AE) and Alternative Learning Environment (ALE). According to the guide, “Alternative Education” denotes specialized educational programming, while “Alternative Learning Environment” places more emphasis on the location of the instruction. The note further states: “ALE has been the moniker historically, even in the law and rules governing alternative education, therefore it is used in this guide; however, a move to the term ‘AE’ will hopefully solidify the understanding that alternative education is much more than a change of locale. It is specialized educational programming designed to eliminate barriers to traditional education faced by some students.”¹⁷

PROGRAM STRUCTURE

As to how ALE programs are structured and the services they provide, DESE’s rules for ALEs provide some parameters by which programs must adhere. They are to provide intervention services to address students’ specific educational and behavioral needs, including access to a school counselor, mental health professional, nurse, and other support services that are “substantially equivalent” to those provided to students in the traditional school environment. Additionally, ALE programs are not to be punitive in nature, but instead they are to provide students with the guidance, counseling, and academic support necessary to make progress toward educational goals appropriate to each individual student’s specific situation, characteristics, abilities, and aspirations.¹⁸

¹⁵ Arkansas Department of Education "Rules Governing Student Special Needs Funding," Rule § 4.05 (July 2020).

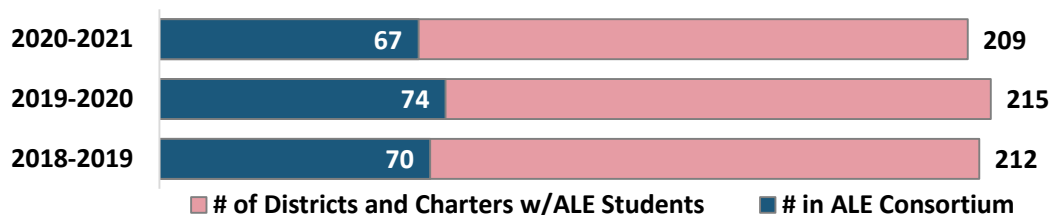
¹⁶ [Office of Alternative Education](#)

¹⁷ Alternative Education Process Guide (November 2021)

¹⁸ Arkansas Department of Education "Rules Governing Student Special Needs Funding," Rules §§4.01.2-3 (July 2020).

ALEs are to provide a curriculum that includes the basic subjects – math, science, social studies and English language arts – that adhere to the Arkansas academic standards.¹⁹ ALEs can incorporate computer-based instruction for up to 49% of total instruction in any one course unless the division has approved a program’s use of distance learning or computer-based instruction that exceeds that amount. Students who are at least 16 years old may pursue a curriculum aligned with a high school equivalency test if they lack sufficient credits to graduate by the age of 18 and have their parents’ or guardians’ consent.

The following chart shows the number of districts and open-enrollment public school charters (out of a total 258) with ALE students, and how many were members of a consortium.



PROGRAM PERSONNEL

ALE teachers are not required to obtain special endorsements to teach in an alternative learning environment, but DESE’s rules do require training related to specific needs and characteristics of students in alternative learning environments, and ALE teachers must be able to demonstrate AQT (Arkansas Qualified Teacher) status in any are for which they are not licensed.²⁰

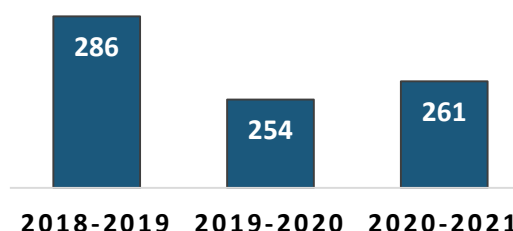
As mentioned earlier, districts’ alternative learning environment classes were initially funded in 2003 to support a 1:10 ratio for kindergarten through sixth grade and a 1:15 teacher-student ratio for seventh through twelfth grade. That funding increased for the 2007-08 school year with the purpose of supporting a 1:12 student teacher ratio.

Class Size Limits	Traditional Classroom	ALE Classroom
Kindergarten	20, or 22 w/aide	10, or 12 w/aide ²¹
Grades 1-3	25	
Grades 4-6	28	
Grades 7-12	30	15, or 18 w/aide

Even though the funding increased, the original mandated student-to-teacher ratios remained in place, and actually are the same today (see table). Those ratios provided more staffing per student than the 1:20 ratio for ALE that existed pre-Lake View, but the minimum ratio for seventh through twelfth grade falls short of the current recommendation by the National Alternative Education Association of one teacher for every 12 students.²²

ALE programs often utilize paraprofessionals to assist with class loads. The chart below shows the number of ALE Paraprofessionals reported by districts on the ALE Legislative report submitted annually to the House and Senate Interim Committees on Education.

ALE PARAPROFESSIONALS



¹⁹ Arkansas Department of Education "Rules Governing Student Special Needs Funding ," Rule § 4.04.2.1 (July 2020).

²⁰ Arkansas Department of Education "Rules Governing Student Special Needs Funding ," Rule § 4.01.3.1 (July 2020).

²¹ Middle school programs that encompasses 5th and/or 6th grade mixed in with 7th and/or 8th grade may have a ratio of 15, or 18 with an aide, according to DESE. Email from ALE Director dated Jan. 23, 2020.

²² "Exemplary Practices 2.0: Standards of Quality and Program Evaluation 2014."

ALE programs also utilize other professionals to address behavioral, social, and emotional needs of children. These services are described in each program’s description that must be approved by DESE. Specifically, question five on the program description form asks programs to describe how they provide counseling services to ALE students.²³

PROGRAM REPORTING

According to A.C.A. § 6-48-104(d), the Division shall provide to the House Committee on Education and the Senate Committee on Education an annual report (“legislative report”) on the information reported to it under A.C.A. § 6-48-102, which includes information on race and gender of the students education in the ALE and any other information regarding students education in the ALE that DESE requires by rule. The statute also calls for the legislative report to include information on the effectiveness of ALEs evaluated under A.C.A. § 6-48-101 et seq., which governs Alternative Learning Environments. State law further requires DESE to evaluate ALE programs based on measures of effectiveness.

While A.C.A. § 6-48-104 requires the Division to promulgate rules that establish “measures of effectiveness for alternative learning environments” that assess the ALE program’s effect on students’ 1) school performance, 2) need for intervention, and 3) school attendance and dropout rates, it is not clear whether these measures of effectiveness are those to be included in the legislative report.

The ALE rules found in Section 4 of the “Rules Governing Student Special Needs Funding” do not explicitly reflect all of the aforementioned effectiveness measures. However, DESE rules do call for the Division to compile annual report data for each ALE program using data submitted by Arkansas school districts through Arkansas Public School Computer Network (APSCN) reporting.²⁴ As shown in the following table, some, but not all of the data compiled by DESE is then submitted to the House and Senate Education committees in its annual ALE Legislative Report.

Data Compiled by DESE (per rules)	Included in ALE Leg. Report
The number of ALE students subdivided by race, gender, and grade level	Y
The number of ALE students who returned to a regular educational environment, dropped out, graduated, or received a GED	Provides the district drop-out rate, not the rate for ALE students.
The number of graduating students who were ever in ALE for 20 or more consecutive days	Y
The number of ALE students participating in Workforce/Secondary Career Ctrs	N
The number of ALE students receiving special education services	Y
The number of students enrolled in an ALE program who had previously exited an ALE program in the second or third prior school year	Provides data in the report for the current and immediate prior year.
The total amount of funds expended to operate the ALE program for the sch. year	Y
The total amount of ALE funding received that school year	Y
The total number of ALE students per district with grade improvements after beginning ALE	N
The total number of ALE students per district with attendance improvements after beginning ALE	N
The total number of ALE high school students per district with improved credit attainment after participating in ALE	N

²³ [ALE Program Description Submission Form](#)

²⁴ Arkansas Department of Education "Rules Governing Student Special Needs Funding," Rule 4.03 (July 2020).

PROGRAM MONITORING

Per DESE rules, as part of the Division’s accreditation review of each school district under § 6-15-202, the Division is required to evaluate each ALE to ensure that it is established and operated in compliance with Special Needs-Alternative Learning Environment Rules and A.C.A. § 6-48-101 *et seq.*, and that each ALE is effective under the measurements established by the Division.²⁵

Additionally, the AEU monitors the following items, either through desk audits or onsite observations:

- Do the grade levels enrolled in the ALE program match the ALE program description submitted to DESE for approval?
- Do ALE students participate in school-wide activities?
- Are the individuals who determine a student’s participation in an ALE appropriate for that role?
- Is direct instruction the primary educational component in the ALE?
- Is there evidence demonstrating social skills education, career, college, vocational, and transitional life skills are occurring in the ALE?

The AEU also documents ALE programs for noncompliance in the following areas:

- Reporting required ALE program data through APSCN
- Receiving DESE approval of their program description
- Operating a program that matches its approved program description

If a district is found to be out of compliance in any of these areas, its non-compliance is reported on the district’s annual report card, which is published on the districts’ and the division’s websites.²⁶ If schools do not address areas of noncompliance within 30 days, the AEU will bring in the Standards Unit to assist with accountability and recertification efforts.²⁷

ALE Students

Students are placed in alternative learning environments for a variety of reasons, and the programs into which they are placed vary as well.

DESE’s rules specify the 12 behaviors or situations for which a student can be identified for an alternative learning environment.²⁸ Placement in alternative learning cannot be based solely on academic problems.²⁹ Instead, a student may be recommended for alternative learning if he or she meets two or more of the following barriers to learning:

*Ongoing, persistent lack of attaining proficiency levels in literacy and math	Single parenting (meaning the student is a single parent)
Abuse: physical, mental, or sexual	Pregnancy
Frequent relocation of residency	Personal or family problems or situations
Homelessness	Recurring absenteeism
Inadequate emotional support	Dropping out of school
Mental/physical health problems	Disruptive behavior

**Students cannot be placed in an ALE program for academic problems alone.*

²⁵ *Id.* at Rule 4.05.8
²⁶ § 6-48-104(b)(2)
²⁷ Meeting with ALE Director.
²⁸ Arkansas Department of Education "Rules Governing Student Special Needs Funding," Rule 4.02.1 (July 2020).
²⁹ *Id.* at Rule 4.02.1.

Students who meet two or more of the above criteria may be placed in an alternative learning environment only on the recommendation of an Alternative Education Placement Team, which must include the school counselor from the referring school, the building principal or assistant principal from the referring school, one or more of the student’s regular classroom teachers, a special education or 504 representative (if applicable), the student’s parents or guardians if they choose to participate, an ALE administrator and/or teacher, and, if the school district decides, the student.³⁰

While DESE does not track the criteria used for student placement, documentation of the two criteria are noted in students’ files and are monitored to assure appropriate placements are being made when the AEU makes its monitoring visits. According to DESE, disruptive behavior and an ongoing, persistent lack of attaining proficiency levels in literacy and math are the criteria most often reviewed in files.³¹

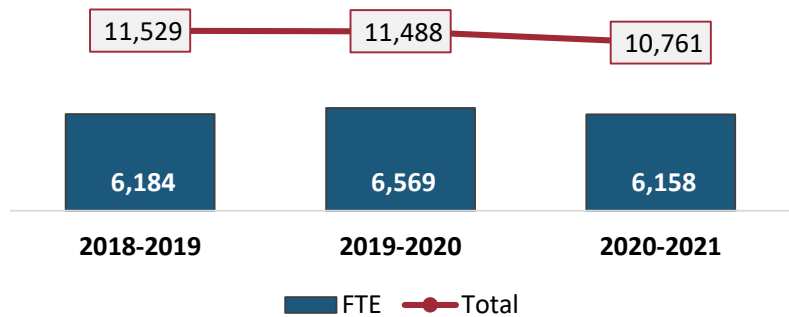
Before or upon entry, an ALE is required to assess each ALE student with effective, research-based assessment tools to determine current academic capability.³² Additionally, no later than one week after a student begins alternative education interventions, the Placement Team is to assess each student’s current functioning abilities as well as all relevant social, emotional, academic, career and behavioral information to develop a Student Action Plan (SAP).³³ Each plan outlines the intervention services to be provided to address the student’s specific educational needs and, if appropriate, the student’s behavioral needs. The plan must also include the goals and objectives the student must meet to return to the regular educational environment and specific exit criteria.

Within five school days from when a student begins alternative education interventions, the placement team must develop a signed agreement between the ALE, the parent or guardian (if they choose to participate), and the student, outlining the responsibilities of all parties to provide assurance that the plan for each student is successful³⁴. Before a student returns to the regular educational environment, the Placement Team is to develop a transition or positive behavioral plan to support the move back to the regular classroom.³⁵

ENROLLMENT AND DEMOGRAPHICS

The chart to the right compares ALE student FTEs to the total number of ALE students. While the total number of ALE students has declined over the last three years, FTEs have not declined in proportion to the enrollment decline. In fact, the FTE total increased by 6% in 2020, while enrollment only declined by 0.36%. ALE enrollment was 7% less than it was in 2019, while the difference between 2019 and 2021 FTE totals was less than one percent. This means ALE students are spending

ALE FTE AND TOTAL ENROLLMENT COMPARISON



³⁰ *Id.* at Rules §§ 4.02.2.

³¹ Meeting with ALE Director.

³² Arkansas Department of Education "Rules Governing Student Special Needs Funding," Rule §4.04.1 (July 2020).

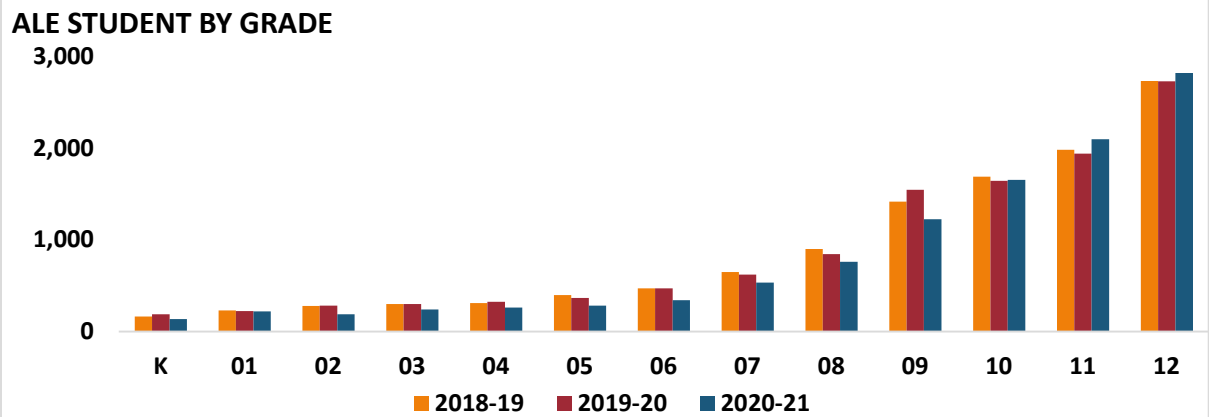
³³ *Id.* at Rule 4.02.4.

³⁴ *Id.* at Rule 4.02.5.

³⁵ *Id.* at Rule 4.02.6.

more time in ALE, either more hours a day, more days a year, or both. A map of showing ALE FTE percentages by region can be found in Appendix A.

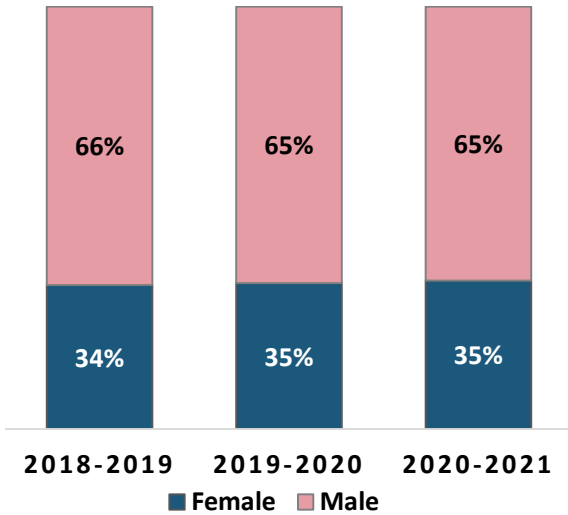
The following chart shows most ALE students in Arkansas are in the upper grades. The number of ALE students in grades 1-8 declined or remained about the same between 2019 and 2021. The number of students in ALE for the grade 9 increased a little over one percent in 2020, but declined by two percent in 2021. Grades 11 and 12 showed the highest percentage increase between 2020 and 2021 of 2.6% and 2.4% respectively.



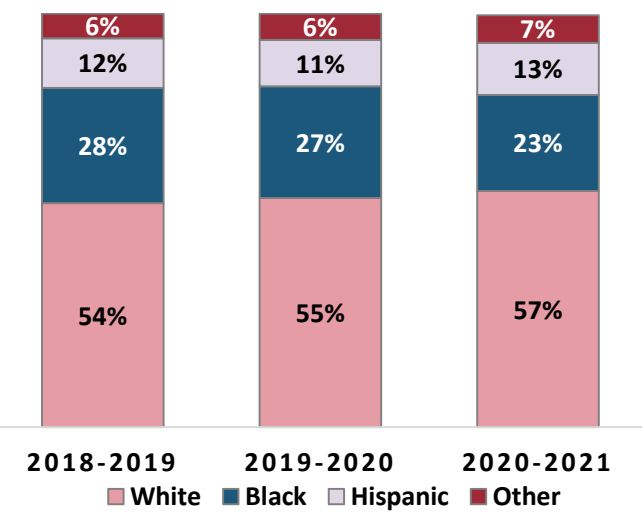
The following charts provide demographic data about students in ALE programs. Data is supplied by DESE in its ALE legislative report.

Gender and Race/Ethnicity

STUDENTS BY GENDER



STUDENTS BY RACE/ETHNICITY



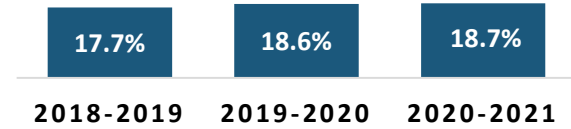
36

³⁶ The "Other" category includes students identified as Asian, Native American or Alaskan Native, Native Hawaiian or Pacific Islander, and Two or More Races.

Special Education

The chart below shows the percentage of ALE students who are also classified as special education. While the overall number of special education ALE students has declined slightly, the proportion of the total ALE student population has increased over the last few years.

ALE SPECIAL EDUCATION STUDENTS



EFFECTIVENESS INDICATORS

As previously mentioned, state law requires that the DESE is to promulgate rules that establish, among other things, “measures of effectiveness for alternative learning environments” to assess the ALE program’s effect on students’ 1) school performance, 2) need for intervention, and 3) school attendance and dropout rates. While DESE rules do not explicitly reflect those measures, it does include some of this information in its annual legislative report, which is summarized in the table below.

ALE Indicators	2018-19	2019-20	2020-21
Exited ALE in the prior school year and returned to ALE in the reporting school year	26%	22%	24%
Returned to Traditional Educational Environment in the same school year	22%	19%	18%
Exited ALE and returned in the same school year	6%	7%	5%
Received GED during the reporting year	1%	1%	1%
Graduated after an ALE Intervention During Any Year*	8%	9%	10%

*Percent of all graduates

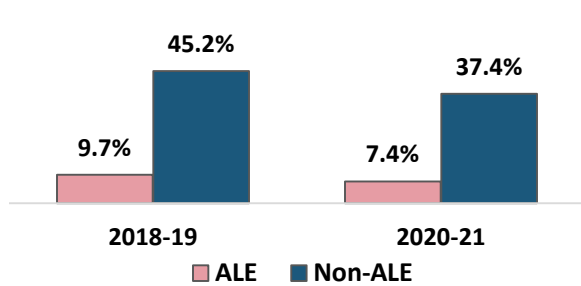
Two additional indicators that the Bureau of Legislative Research analyzed regarding ALE program effectiveness are a comparison of test scores and of dropout rates.

Test Score Comparisons

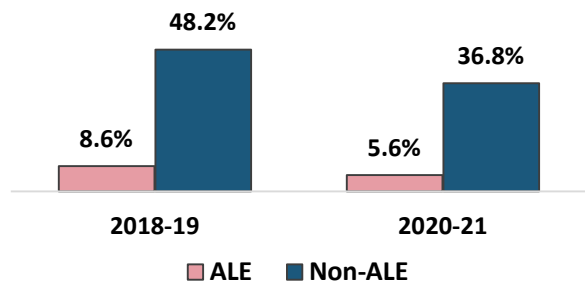
Historically, ALE students (those attending at least 20 consecutive days in an ALE program³⁷) have been far less likely to score as well on state standardized tests, whether that was the State Benchmark and End-of-Course exams, which ended in 2013-14, the PARCC exams, which ended in 2014-15, or the ACT Aspire exams, which are administered currently. The trend has not changed, as a comparison of the 2019 and 2021 ACT Aspire Math and English Language Arts proficiency scores show in the charts below. A score of 3 or 4 on the ACT Aspire is considered proficient or above, though in ACT terms, a 3 is “ready” and a 4 is “exceeding.”

³⁷ See Ark. Code Ann. § 6-48-104(a)(1)(B) (providing that DESE rules shall establish criteria that "identif[ies] the characteristics of students who may be counted for the purpose of funding an alternative learning environment program including without limitation that a student is educated in the alternative learning environment for a minimum of twenty (20) consecutive days"); and § 6-48-101(a)(1)(C) (providing that for students who are educated in the ALE program "fewer than twenty (20) days, the division may provide funding to a school district based on the actual number of days the student is educated in the alternative learning environment if the student ... [l]eaves the school district to transfer to another alternative learning environment; or [i]s placed in a residential treatment program").

ELA "Ready" or "Exceeding"

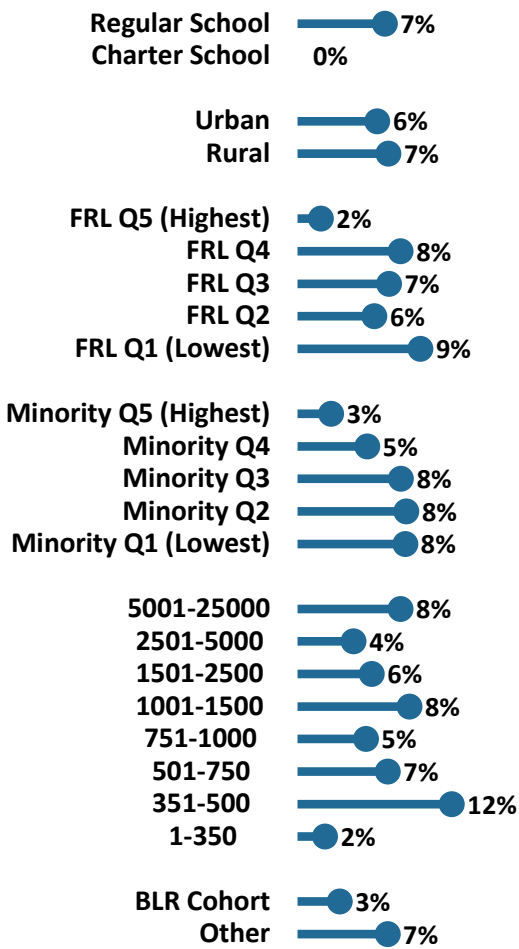


MATH "Ready" or "Exceeding"

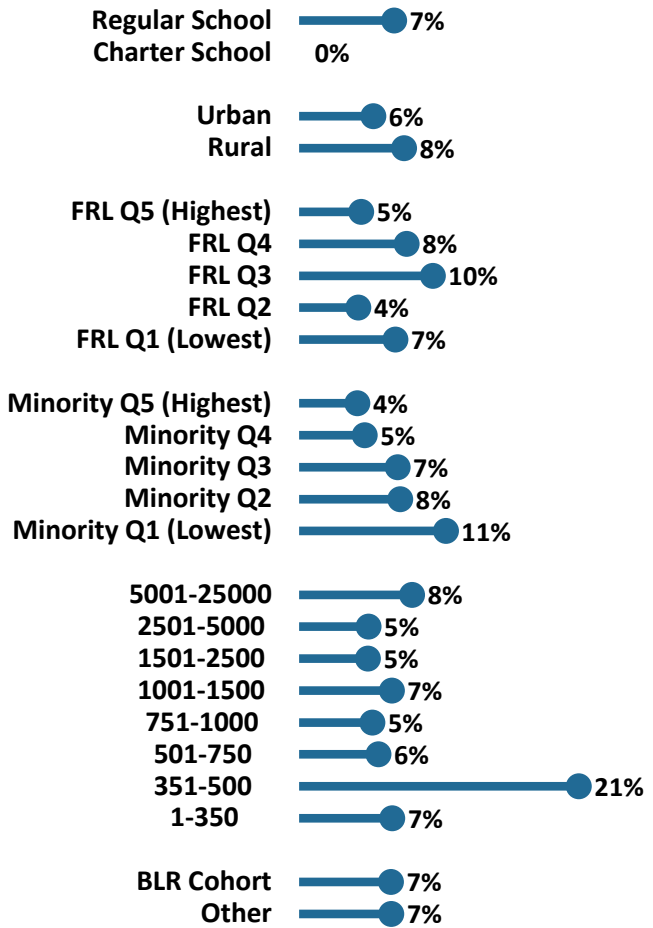


The following charts provide the percentage of ALE students scoring Ready or Exceeding on the ACT Aspire ELA and math exams in 2021 for multiple school-level categories. Only schools with ALE students were included in the analysis. There was only one charter school with ALE students. For both ELA and Math, students scoring as “ready” or above decreased with higher minority populations. ALE students in rural schools performed slightly better than ALE students in urban schools.

Percent of ALE Students Scoring Ready or Above, ELA



Percent of ALE Students Scoring Ready or Above, Math



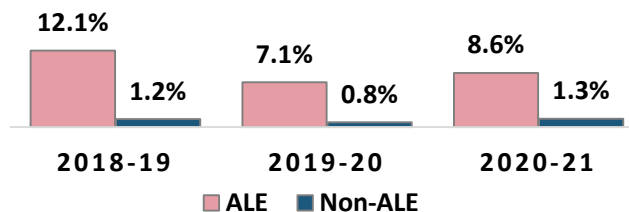
Dropout Rates

The Bureau of Legislative Research (“Bureau” or “BLR”) analyzed dropout rates between ALE and non-ALE students. Using APSCN data, the Bureau examined all individual students who dropped out of school for one of the reasons used to identify “dropouts” and their APSCN-reported cause for leaving school:

- Failing grades
- Conflict with school
- Peer conflict
- Health problems
- Suspended or expelled
- Economic hardship
- Enrolled in GED
- Other
- Lack of interest
- Pregnancy/marriage
- Alcohol/drugs

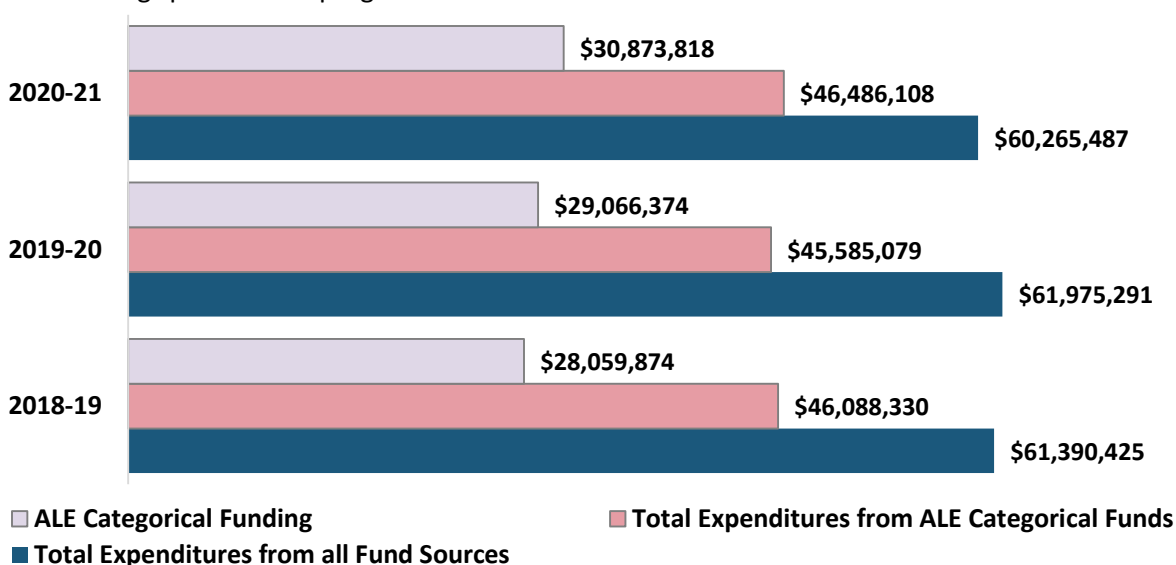
The chart to the right shows the dropout rate of 9th through 12th grade ALE students dropping out for one of the above reasons divided by the number of individual 9th through 12th grade ALE students in the same district compared to the dropout rate of non-ALE students using the same calculation. While it is not possible to know how many more students may have dropped out of school without ALE services, the dropout rate for ALE students is higher than it is for those students who are not enrolled in ALE.

GRADES 9-12 DROPOUT RATES



ALE Expenditures

The following chart shows ALE categorical funding compared to the expenditures districts made for all ALE programs and services. These figures include expenditures made using money transferred to ALE from other categorical funds. The chart also shows the amount of additional funding – beyond ALE categorical funding – that was spent on ALE programs. This would include foundation funding and any other funding spent on ALE programs.



Allowable Expenditures

As shown in the following table, the vast majority of ALE program expenditures for 2020 and 2021 were made on salaries and benefits of ALE staff. For certified salaries, teachers grades 1-12 accounted for 92% of expenditures, while instructional aides accounted for approximately 89% of classified salary expenditures in both 2020 and 2021. Instructional materials were 97% of the total instructional and non-instructional materials expenditures in both reporting years. Operations and maintenance accounted for 68% of the last expenditure category in 2020, and 65% in 2021.

While ALE program requirements emphasize the need for providing intervention services that address each student’s specific behavioral needs for long-term improvement, findings from the analysis of expenditure data show 0.76% was spent on counselors, and 0.02% was spent on student support. See Appendix B and C for a breakout of expenditures by specific categories.

Expenditure Category	2019-20	2020-21
Certified Salaries and Benefits	60.4%	58.6%
Instructional and Non-Instructional Support Materials	21.9%	24.1%
Classified Salaries and Benefits	13.7%	13.7%
Operations and Other Reconciling Items	4.0%	3.6%

Survey Responses

The Bureau of Legislative Research included questions related to ALE expenditures on the 2020 survey of superintendents. In response to the question asking if their district paid another district or education service cooperative to provide ALE services (educational or full ALE services) to any of their students (e.g., through a consortia arrangement or Arch Ford’s Hub program), 29% indicated they did pay another district or education service cooperative for ALE services.

Below is a table that shows the district or education service cooperative districts paid for ALE services, the total amount paid, and the total number of FTE ALE students districts sent to another district or cooperative in 2020-21.

Program	# Districts Paying	Avg. Amt Paid	Avg. FTEs
Arch Ford	43	\$200,089	41.1
Arkansas River	1	\$275,000	50
Bald Knob	2	\$55,129	7
El Dorado	2	\$15,500	4
Jonesboro	8	\$60,005	8.1
Strive	3	\$47,345	8.75

Fund Balances

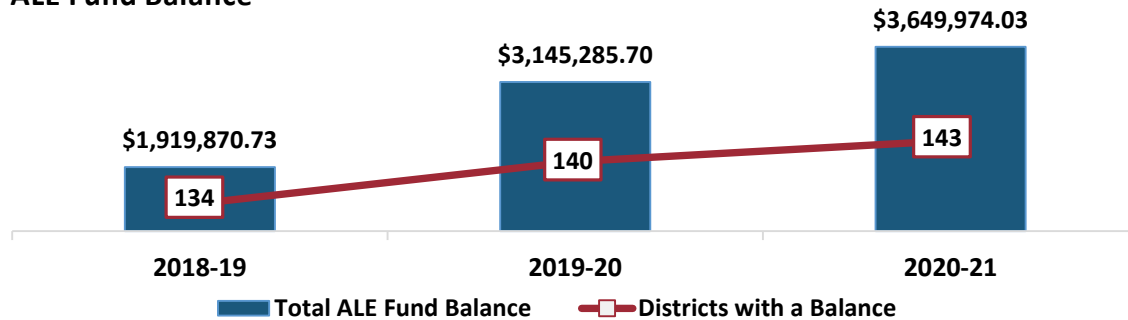
Despite spending well over the amount of money provided specifically for ALE programs, districts retained small amounts of funding in their ALE categorical funds. This money rolls over to the following year to be spent on ALE programs. Act 1220 of 2011 limited the aggregate fund balance of all categorical

funds to 20% of the total aggregate categorical funding for the year.³⁸ The following table shows the beginning fund balances for ALE funds for recent years.

Ending Fund Balance	Number of Districts		
	2018-19	2019-20	2020-21
\$0	101	95	92
\$.01 - \$1,000	31	28	29
\$1,001 - \$10,000	71	61	67
\$10,001 - \$50,000	24	38	31
More than \$50,000	8	12	14

The following chart shows ALE fund balance totals for recent years.

ALE Fund Balance



2022 Proposed Rule Changes (Pending Legislative Review)

- Amending section **3.00 Definitions** to include “Alternative Learning Environment Hybrid Program” is a program that provides ALE services through a combination of on-site and distance learning.
- Amending section **4.01 ALE General Requirements** to include an option for districts to use the method of providing an ALE hybrid program to serve students in grades nine through twelve (9-12). For funding purposes, FTEs are calculated based on the percentage of on-site instruction for a student in a hybrid program.
- Amending section **4.02 ALE Student Eligibility and Placement** to clarify the student must be in need of innovative programming and strategies that typically cannot be provided through regular school options, and adding required documentation of the specific ALE programming and supports that will address each identified characteristic or situation causing a barrier to student success.
- Amending section **4.03 Personnel Requirements** to add that an ALE hybrid program including any of grades nine through twelve (9-12), no more than thirty (30) students to one (1) teacher. If a paraprofessional is employed in addition to a licensed teacher, the student/teacher ratio shall be no more than thirty-five (35) to one (1). However, the number of on-site students on any day shall not exceed the ratios in 4.03.2.2.
- Amending section **4.04 ALE Curriculum and Program Requirements** to include changing 4.04.4 Computer-based asynchronous instruction programs may be used only as a supplement to direct teacher instruction and must constitute less than forty-nine percent (49%) of total

³⁸ Codified at Ark. Code Ann. § 6-20-2305(e)(2).

instructional time in any one (1) course. ~~This restriction shall not apply to distance learning or computer-based instruction approved by the Division.~~

- Adding the following to section 4.04 ALE Curriculum and Program Requirements:
 - 4.04.4.1 An ALE may use courses or teachers from a digital provider approved by the Division. The instruction provided must be synchronous to be considered direct teacher instruction. The physical classroom must be staffed by a licensed teacher who will monitor, assist, and facilitate as needed, and adhere to the ALE class size ratios identified in 4.03.2.
 - 4.04.4.2 An ALE hybrid program must meet all required components of an ALE program.
 - 4.04.4.2.1 Students in an ALE hybrid program must participate on-site for direct support at least twenty percent (20%) of the total instructional time to be counted for funding.
 - 4.04.4.2.2 A district using an ALE hybrid program must develop clear criteria for monitoring student success to determine the need for additional direct support if there is a lack of expected progress. Additional direct support may include an increased percentage of on-site instruction and additional services and supports.
 - 4.04.4.2.3 An increased percentage of remote instruction, or placement of a student in an ALE hybrid program, should only be used to meet a student's academic and social and emotional goals outlined in the Student Action Plan, not as a punishment or negative consequence.
 - 4.04.4.3 A student receiving fully remote instruction shall not be considered to be part of an ALE program.

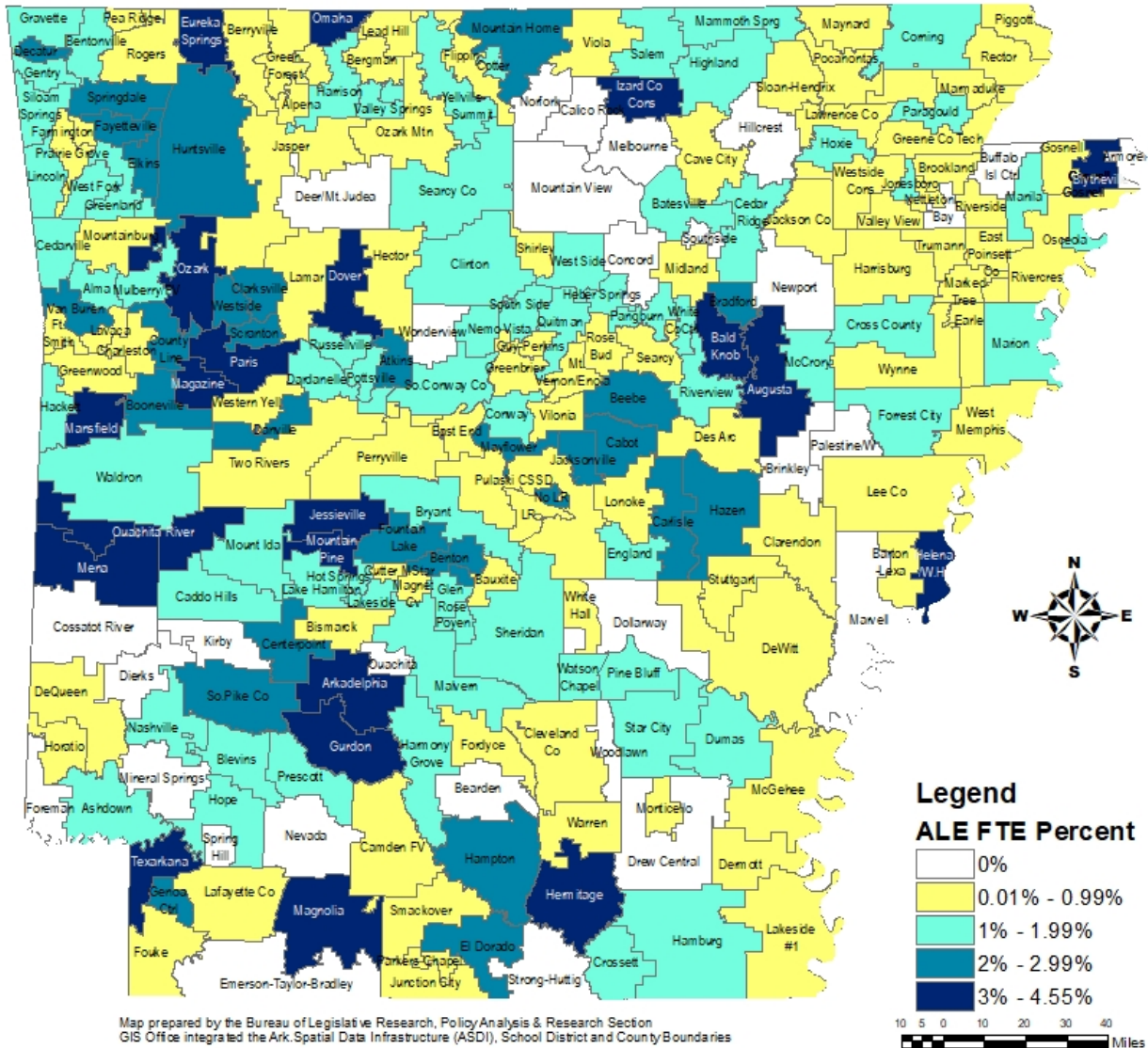
- Amending **4.06 ALE Funding** to add that each student participating in an ALE hybrid program for the required time specified in 4.04.4.2.1 shall be counted as .5 FTE for funding purposes.

2021 Legislation

Act 544 of 2021: Removing the ability of a principal or his or her designee from placing a student into the school district's alternative learning environment following the student's removal by a teacher from class upon the student being documented by teacher as repeatedly interfering with the teacher's ability to teach the students in his or her class or the ability of the student's classmates to learn or upon the teacher determining the student's behavior is so unruly, disruptive, or abusive that it seriously interferes with the teacher's ability to teach the students in the class or with the ability of the student's classmates to learn.

Act 614 of 2021: Amends the categorical funding amounts for alternative learning environments to \$4,794 multiplied by the number of ALE students enrolled in the previous year for the 2021-2022 school year and to \$4,890 multiplied by the number of ALE students enrolled in the previous year for the 2022-2023 school year.

Appendix A – 2020-21 ALE FTE Percentage by Region



Appendix B – 2019-20 Expenditures

Expenditure Category	2019-20 Expenditures
Teachers Grades 1-12	\$34,387,804
Principal	\$1,283,503
Assistant Principal	\$1,126,973
Counselor	\$445,732
Nurse	\$149,474
Librarian or Media Support	\$44,083
Student Support	\$14,652
Total Certified Salaries	\$37,452,221
Instructional Aides	\$7,454,508
Secretary	\$490,970
Substitute Teachers	\$469,805
Other Classified Instructional Support	\$41,168
Classified Library Support	\$28,675
Classified Guidance Services	\$3,739
Supervisory Aide	\$1,512
Total Classified Salaries	\$8,490,376
Instructional Supplies and Objects	\$13,186,102
Non-Athletic Instructional Materials	\$394,359
Counselor, Nurse, Other Student Support Supplies and Objects	\$3,842
Instructional and Non-Instructional Support Materials Total	\$13,584,302
Operations	\$1,653,883
Technology	\$551,624
Food Service	\$130,284
Transport	\$83,828
Miscellaneous Reconciling Items	\$25,318
Central Office	\$3,454
Operations and Other Reconciling Items Total	\$2,448,392

Appendix C – 2020-21 Expenditures

Expenditure Category	2020-21 Expenditures
Teachers Grades 1-12	\$32,481,106
Principal	\$1,262,495
Assistant Principal	\$959,633
Counselor	\$459,494
Nurse	\$129,941
Librarian or Media Support	\$0
Student Support	\$11,816
Total Certified Salaries	\$35,304,486
Instructional Aides	\$7,385,814
Secretary	\$480,079
Substitute Teachers	\$343,973
Classified Library Support	\$26,707
Other Classified Instructional Support	\$18,332
Supervisory Aide	\$5,981
Classified Guidance Services	\$3,717
Total Classified Salaries	\$8,264,603
Instructional Supplies and Objects	\$14,056,704
Non-Athletic Instructional Materials	\$479,085
Counselor, Nurse, Other Student Support Supplies and Objects	\$6,887
Total Instructional and Non-Instructional Support Materials	\$14,542,676
Operations	\$1,405,815
Technology	\$550,897
Food Service	\$119,862
Transport	\$76,177
Central Office	\$784
Non-Technology Related Facilities	\$125
Miscellaneous Reconciling Items	\$64
Total Operations and Other Reconciling Items	\$2,153,723