EXHIBIT D

GIEGISLATIVE Bureau Brief

Elementary & Secondary Education Act and the Arkansas Flexibility Plan

The No Child Left Behind Act of 2001 (NCLB) is the federal education reform legislation that established a system of school accountability for student learning. NCLB was the name given to the 2001 federal reauthorization of the Elementary & Secondary Education Act (ESEA). The terms NCLB and ESEA are often used interchangeably.

NCLB required states to develop rigorous and challenging academic standards in language arts, math, and sciences (Pub. L. 107-110, 115 Stat. 1425). The law also required states to test students in reading, writing, and math in grades 3-8 and in high school, starting with the 2005-06 school year, and in science, beginning in 2007-08. Students' test scores place them in one of four categories indicating increasing subject and skills mastery: below basic, basic, proficient or advanced. The law required schools to increase the percentage of students testing in the proficient or advanced categories each year. It established a series of increasing targets that schools must meet to make Adequate Yearly Progress (AYP). For example, all elementary schools were required to have at least 70% of students proficient in math in 2010 and 77.5% in 2011. The target percentages were established with the goal of having 100% of students testing proficient by the 2013-14 school year. Schools that did not meet AYP for two consecutive years were placed in school improvement where they faced increasing sanctions each year.

NCLB was scheduled for reauthorization in 2007, but Congress could not agree on a new version of the law. Meanwhile, most states were in the process of adopting new education standards—the Common Core State Standards—which would be taught in classrooms before new tests that were aligned to the standards would be ready. With Congress in a deadlock over ESEA reauthorization, U.S. Secretary of Education Arne Duncan announced in September 2011 that he would allow states to apply for waivers from some of the law's provisions. States with successful applications would be allowed to set their own targets for schools' student performance, and they would no longer be required to apply the corrective actions called for by NCLB. In exchange for such "flexibility," as it is called, states are required to:

- Adopt college and career-ready standards and "high-quality assessments."
- Develop an accountability system that measures schools' progress with test scores in English language arts and math and graduation rates. The system must include incentives and interventions to close achievement gaps.
- Develop teacher and principal evaluation systems.

Arkansas, 44 other states and the District of Columbia submitted flexibility applications, and in June 2012, the U.S. Department of Education (DOE) approved Arkansas's plan. Currently, the DOE has approved the requests of 41 states and the District of Columbia.

Arkansas's ESEA flexibility plan replaces the federal school improvement accountability structure. Individual schools are no longer required to hit the same student performance targets. Instead, each school has its own target that calls for it to cut in half the percentage of students who are not proficient and, for high schools, reduce by half the percentage of students who do not graduate. Schools are given six years to achieve these goals. For example, a school with 76% proficiency would be required to reduce its students not meeting proficiency by 12 percentage points within six years, or 2 percentage points annually.

Under the plan all schools are designated as achieving or needs improvement, depending on whether they meet their established performance targets and graduation rates. The Flexibility Plan also calls for more oversight and intensive support for the schools with the lowest level of student achievement and those with the largest achievement gaps. ADE identified the lowest performing 5 percent of schools in the state, and designated those 48 schools as "needs improvement

priority schools." Under the Flexibility Plan, priority schools receive more oversight from ADE and are required to develop an intensive three-year improvement plan and hire an outside school improvement consultant. ADE identified another 109 schools as "needs improvement focus schools." Focus schools, are those with the largest achievement gaps between students in the Targeted Achievement Gap Group (TAGG) and other students. The TAGG students are those who fall into one or more of three categories: economically disadvantaged, English language learners, or students with a disability. Focus schools receive more oversight from ADE, are required to develop a one-year targeted improvement plan and have the option of hiring an outside consultant. Focus schools that fail to make progress after one year, will be required to contract with a consultant. The Flexibility Plan also calls for Arkansas to identify exemplary schools, those schools that demonstrate high achievement or significant gains without large achievement gaps. Schools may also be identified as exemplary if they have particularly high student performance or significant gains among TAGG students. For 2012, the state identified 15 exemplary schools.

With approval of the state's ESEA Flexibility Plan, school districts are no longer required to offer or pay for supplemental educational services (tutoring through an outside company), and they are no longer required to offer federal school choice. (Schools in school improvement were previously required to allow students to transfer to other schools in the district that were not in school improvement. Federal school choice is different from other types of school choice allowed under state law.)

The state's Flexibility Plan is intended to be a temporary accountability structure, to be replaced with a reauthorized version of ESEA. However, the U.S. House and Senate have yet to agree on new legislation.