

Daily World



H-WH district removed from fiscal distress list

Hopes to end year with \$5.3 million in the bank

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LITTLE ROCK - Two school districts that had been taken over by the state for financial problems regained local control Monday and seven more districts were added to a list of schools being monitored by the state for money woes.

The board unanimously voted to remove Midland and Helena-West Helena school districts from the list of fiscally distressed schools starting July 1. They are two of three districts that have been under state control for financial problems.

The board also removed the Hughes, Omaha and Turrell districts from the fiscal distress list.

At the same time, the board also added the Concord, Gentry, Greenland, Hartford, Hermitage, Murfreesboro and the Westside Consolidated school districts to the fiscal distress list.

Officials from Midland, which two years ago had expected to have at least a \$278,000 budget deficit, reported Monday they expected to end the year with \$1.6 million in the bank. The state had taken over the district, fired its superintendent and school board and worked to improve its money-management after it was put on the distressed list.

School board president Bryson Wood now has a better understanding of how to manage and control its finances.

"We've got a lot better feel now for what's going on on a day-to-day basis," Wood said.

The Helena-West Helena District, which in 2005 expected to end the year with a \$2.2 million deficit, reported Monday that it expects to end the year with \$5.3 million in the bank.

"We certainly attest to the fact that they are in better shape than they've been in for a long time," superintendent Rudolph Howard told the state board.

State education commissioner Ken James has said the district's financial problems were some of the worst he had seen.

"We hope we don't ever find any other district with this laundry list of problems again," James said.

School districts placed in fiscal distress by the state have up to two years to submit a plan showing how they will remove themselves from the classification, have the plan approved and successfully implement the steps. Then, the district can petition the board to be removed from the list.

Helena-West Helena and Midland were two of three schools that had been taken over by the state for financial problems. The financially struggling Bald Knob school district was taken over by the state last year after school officials predicted it would be \$2 million in the red.

Local control could be restored to the district by June 2009.

Gentry, Greenland and Westside Consolidated had all appealed their placement on the distress list, but their appeals were denied by board members Monday. A hearing on the Mineral Springs school district, which had also appealed its placement on the distress list, was tabled until May.

Gentry, a 1,440-student school district, was placed on fiscal distress after state officials reported that the district expected to end the fiscal year with a negative balance of more than \$254,000. Greenland was projected to end the year with a \$288,971 deficit and Westside Consolidated was projected to have a deficit of \$87,061.