



## Research Report

# State Categorical Funding Review Alternative Learning Environments (ALE)

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Prepared for the  
**THE HOUSE INTERIM COMMITTEE ON EDUCATION  
AND THE SENATE INTERIM COMMITTEE ON EDUCATION**



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## INTRODUCTION

Arkansas statute §10-3-2102 requires the House and Senate Committees on Education to evaluate the cost of providing an adequate education. Arkansas's K-12 education funding formula, referred to as the matrix, is used to determine the per-pupil level of foundation funding disbursed to each school district. In addition to foundation funding, districts may receive four types of categorical funding: National School Lunch state categorical funding, English language learners, professional development and alternative learning environment. Categorical funding is different from foundation funding because it is designed to support particular types of students and it can only be used for activities related to the programs intended for the funding. This report provides information about one of the categorical funding programs, alternative learning environments.

## ALTERNATIVE LEARNING ENVIRONMENT

An **Alternative Learning Environment (ALE)** is an intervention program that seeks to eliminate barriers to learning for at-risk students (Ark. Code Ann. §6-48-101). The programs are meant to provide a different learning environment for students who have trouble learning in the traditional classroom. As noted by the education consultants the state hired in 2003 and 2006 to help revamp the education finance system, "ALE programs...are NOT just alternative ways to provide instruction for students; they are intended to be small, personalized programs for students most of whom have multiple behavioral and emotional [problems] as well as drug and/or alcohol problems and have intermittent school attendance."<sup>1</sup> ALE programs are based on the premise that all students can learn if they are provided a non-punitive environment that is conducive to learning.

Arkansas law requires every school district to offer an ALE program for all students who qualify. Districts may provide ALE programs in a separate classroom in a traditional school or as a separate standalone facility. In 2011, there were 12 standalone ALE schools. Two of those schools closed in 2013 and another three closed in 2013-14. One ALE school, Washington Academy, opened in 2013-14. Three of the eight ALE schools in operation today are conversion charter schools. For a list of standalone ALE schools, see page 14.

Districts are also permitted to establish a joint ALE program with other districts or join a regional program offered by their educational service cooperative. In 2012-13, a total of 54 districts joined with other districts to provide ALE services through a consortium program.<sup>2</sup>

### ***ALE Eligibility***

To be placed in an ALE program, students must be referred by the district's or school's Alternative Education Placement Team because they are exhibiting or experiencing two of the following:

1. Ongoing, persistent lack of attaining proficiency levels in literacy and math (*Students cannot be placed in an ALE program for academic problems alone.*)
2. Abuse: physical, mental, or sexual
3. Frequent relocation of residency
4. Homelessness
5. Inadequate emotional support
6. Mental/physical health problems
7. Pregnancy
8. Single parenting

<sup>1</sup> Picus and Associates, Recalibrating the Arkansas School Funding Structure, August 30, 2006, p. 59.

<sup>2</sup> Arkansas Department of Education, 2013 Legislative Report: Alternative Education

9. Personal or family problems or situations
10. Recurring absenteeism
11. Dropping out of school
12. Disruptive behavior

Students' placement in an ALE is not intended to be permanent and state law prohibits its use as a punitive measure. To help districts pay for smaller class sizes and the additional services these students need, the state provides ALE categorical funding.

## BACKGROUND

Funding for ALE in its current form was created in the Second Extraordinary Session of 2003, based on a recommendation from the Joint Committee on Educational Adequacy. At the time the Legislature was under pressure to address the issues raised in the Lakeview lawsuit. On the advice of consultants Lawrence O. Picus & Associates and a panel of 70 Arkansas educators, the Adequacy Committee recommended new funding for ALE. The Committee recommended a funding level that would support one teacher for every 20 ALE students.<sup>3</sup> However, in passing Act 59 of the Second Extraordinary Session of 2003, the General Assembly set a funding amount of \$3,250 per ALE student. The rate was calculated based on the amount of funding needed to support a teacher-pupil ratio of one to 15, or the average teacher salary and benefits of \$48,750, divided by 15.<sup>4</sup> The General Assembly appropriated nearly \$16 million for ALE funding, increasing the existing \$3 million annual appropriation for alternative education to almost \$19 million.

Act 59 also called for the Arkansas Department of Education to promulgate rules to determine who would be considered an eligible ALE student and how these students would be counted for the purposes of funding. The rules specified for the first time the 12 behaviors or situations for which a student could be identified for alternative education (see previous section for the list).<sup>5</sup> The rules called for districts to use a team of educators to determine ALE placement and prohibited ALE placement decisions to be based solely on academic problems.

In the first year of the new ALE funding, students were counted using a full-time equivalency methodology similar to calculation that applied under the previous funding system. Under the methodology, ALE students could be counted as .25, .5 or 1 full time equivalent (FTE) student, depending on the time they spent each day in the ALE program. However, the new rules made two important changes to the FTE formula.

- Under the previous system, an ALE student had to be in the program for at least 20 consecutive days. Under the new rules, ALE students had to be in the program for 20 days to qualify for funding, but those days did not need to be consecutive. (The rules were changed in July 2010 to again require 20 consecutive days beginning with the 2011 school year. That requirement was established in statute with Act 1118 of 2011.)
- Under the previous rule, the ALE FTE calculation did not take into account the total number of days the student was in ALE. A student who was in ALE full time for 21 days qualified for the same amount of funding as a student who was in ALE full time for 178 days. The new rule factored into the formula the number of days the student was in ALE. This change had the effect of reducing the total number of ALE FTE students districts reported. (For a full explanation of the FTE calculation, see page 9).

<sup>3</sup> Lawrence O. Picus and Associates, An Evidence-Based Approach to School Finance Adequacy in Arkansas, September 1, 2003

<sup>4</sup> Prepared Testimony of Senator David Bisbee, Feb. 26, 2004

<sup>5</sup> Arkansas Department of Education, Rules for Governing the Distribution of Student Special Needs Funding for School Year 2004-2005 and Additional Teacher Pay, June 14, 2004

Still under the court’s supervision in 2006, the Legislature hired Lawrence O. Picus and Associates again to help refine the state’s education finance system. The consultants recommended increasing the funding amount for two reasons: 1.) the changes in the student count methodology reduced the number of students qualifying for ALE funding, and 2.) districts had complained that ALE was underfunded.<sup>6</sup> Picus and Associates also recommended setting limits on the student size of ALE schools and creating ALE program standards and requirements. The consultants, however, did not recommend a particular funding amount, a specific school size limit or any particular standards.

On the consultants’ advice, the Adequacy Subcommittee then recommended changing the funding to a level that supported a teacher-to-student ratio of one to 12, or \$4,063 (\$48,750 divided by 12) beginning in the 2007-08 school year. According to the National Alternative Education Association, the current recommended teacher to student ratio remains at one to 12.

The funding remained at \$4,063 until the 2011-12 school year, when the 2010 Joint Adequacy Evaluation Oversight Subcommittee recommended an inflationary increase for categorical funds for FY12 and FY13. Act 1467 of 2013 set the funding level at \$4,305 for FY14 and \$4,383 for FY15.

Funding Per Student	2008	2009	2010	2011	2012	2013	2014	2015
ALE	\$4,063	\$4,063	\$4,063	\$4,063	\$4,145	\$4,228	\$4,305	\$4,383

## PROGRAM REQUIREMENTS

In the years following the funding’s creation, the ALE rules were revised to align with the new funding levels. Previously, ALEs were limited to a teacher-to-student ratio of 1 to 20.<sup>7</sup> After the funding’s creation, ALEs for K-6 were limited to one teacher for every 10 students. ALEs for grades 7 through 12 were limited to one to 15. The following chart shows the student limits for each teacher for ALE programs, compared with the class size limits for traditional classrooms.<sup>8</sup>

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

In 2012-13, eight districts were out of compliance with the student-teacher ratios.<sup>9</sup> Many districts use the assistance of a paraprofessional or instructional aide in their ALE programs.

<sup>6</sup> Picus and Associates, Recalibrating the Arkansas School Funding Structure, August 30, 2006

<sup>7</sup> Arkansas Department of Education, Rules and Regulations Governing the Funding of Alternative Learning Environments, February 2002.

<sup>8</sup> Rules 4.03.3.1-2, Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of those Funds and Rules 10.02.2-5, Rules Governing Standards for Accreditation of Arkansas Public Schools and School Districts

<sup>9</sup> Arkansas Department of Education, 2013 Legislative Report: Alternative Education

A total of 127 districts said they use at least one aide, for a total of 300 ALE paraprofessionals statewide<sup>10</sup>. The table below shows the number of district that use each number of paraprofessionals in their ALE classes. For example, 68 districts said they each use one paraprofessional.

# of ALE Paraprofessionals	# of Districts
1	68
2	31
3	10
4	5
5	6
6	3
7+	4

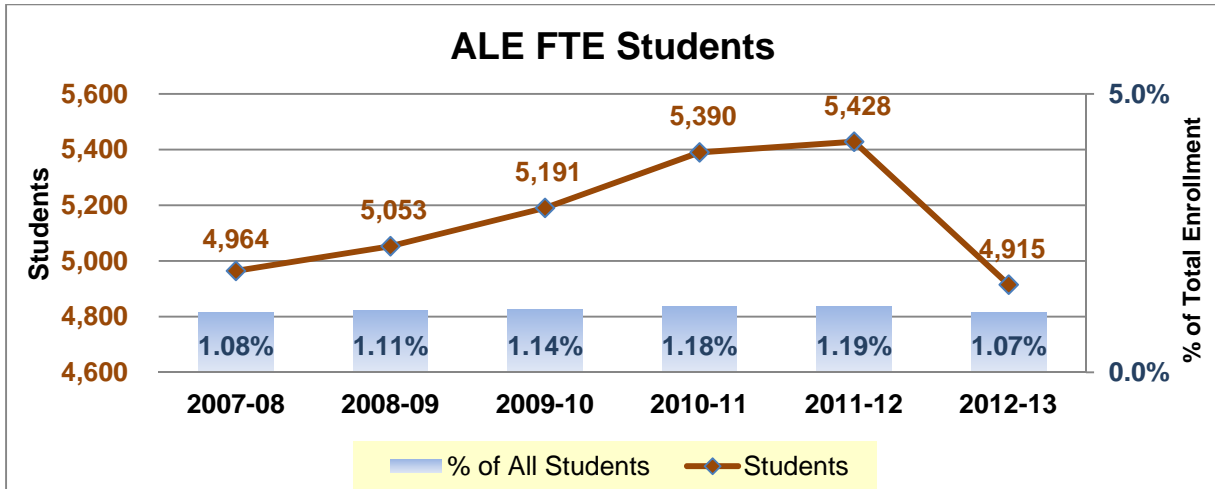
The ALE rules were significantly revised again in June 2012 following the passage of Act 1118 of 2011. The law and revised rules included new requirements that all ALE programs must:

- Assess students as they come into the program (§6-48-103(a)(1)).
- Develop a Student Action Plan documenting the behaviors or conditions causing the need for ALE and outlining the intervention services to be provided to each student. The plan must also specify the student's goals and objectives and the criteria that will be used to determine his or her return to a regular classroom (Rule 4.02.4). The previous rules required only the reason for placement to be documented and the exit criteria developed.
- Develop a positive behavior or transitional plan before students return to a regular class (Rule 4.02.6).
- Ensure ALE staff receive professional development (PD) in classroom management and other areas related to the needs of the program's students (§6-48-104(a)(2)). Previous rules required ALE teachers to meet the same PD requirements as other certified staff.
- Limit computer-based instruction to less than 49% of a student's total instructional time. A previous rule limited the use of computer-based instruction only to supplement instruction, but it did not set a specific time limit (Rule 4.04.4).
- Annually submit a description of each ALE program in the district (Rule 4.05.1) as well as an assurance statement (§6-48-102(a)(3)) that the district is in compliance with state law.

## STUDENT DEMOGRAPHICS

The state calculates about 5,000 ALE FTE students among the approximately 460,000 students in the state's school districts. ALE FTE students consistently make up about 1% of all students. (When counting individual ALE students, rather than ALE FTEs, the 9,573 ALE students in 2012-13 made up about 2% of the total student population.) The following chart indicates that the number of ALE FTE students increased through 2012 and then decreased significantly in 2013. An ADE official said the decrease may be related to new more rigorous regulations as well as an effort to ensure that districts are not counting credit-recovery only classes as ALE programs.

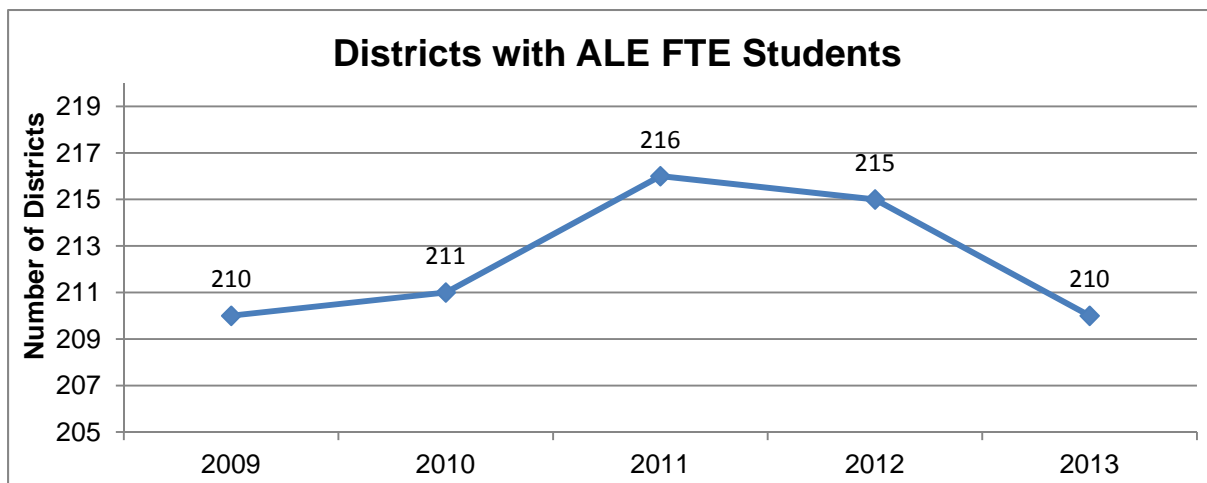
<sup>10</sup> Arkansas Department of Education, 2013 Legislative Report: Alternative Education



Source: Arkansas Department of Education, Annual State Aid Notice. Data does not include charter schools, Arkansas School for the Blind, Arkansas School for the Deaf or Arkansas Division of Youth Services. The data represents the ALE FTE student numbers collected each school year and used to provide funding for districts in the following year. For example, 2012 represents the ALE student population in the 2011-12 school year, which was used to calculate ALE funding distributed for the 2012-13 school year.

The Bureau of Legislative Research (BLR) contacted several districts that had significant drops in ALE FTEs between 2012 and 2013 to determine what caused the decrease. One district said their decline was linked to the new, more rigorous regulations that took effect at the start of the 2012-13 school year. For example, districts are now required to “provide intervention services designed to address students’ specific educational and behavioral needs” including access to a counselor and other mental health services. The district noted that under previous rules, districts were only required to provide access to services. Additionally the district official noted that the new Student Action Plan requires almost as much time and paperwork as a special education Individual Education Program. This district said the new ALE requirements were so costly that they have stopped referring as many students to the program. Another district said it closed an ALE charter school as a way of avoiding fiscal distress. The charter school had offered a large separate facility with vocational programs for students. When it closed the district’s ALE students were moved to ALE classes on the regular campuses.

Like the number of ALE FTE students, the number of districts reporting having ALE FTE students dropped in 2013. That year, 210 of the 239 districts had ALE students, while 29 districts had none.

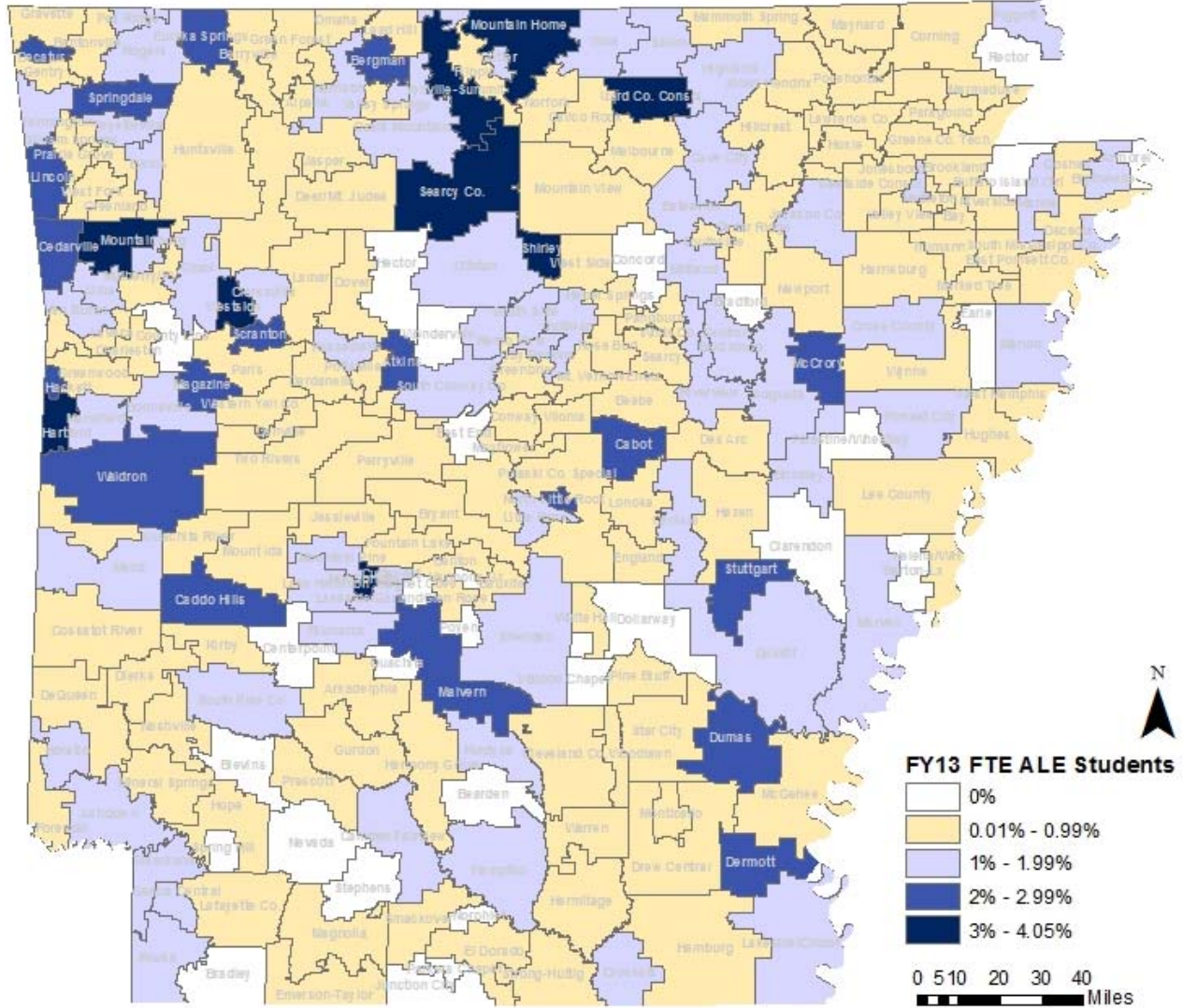


Source: Arkansas Department of Education, State Aid Notice.



**ALE STUDENT POPULATION DENSITY FOR EACH DISTRICT**

The following map shows which districts have the highest concentrations of ALE FTE students. The percentages are calculated using the number of ALE FTE students in 2013 divided by the three-quarter average daily membership for that year.



Map Prepared by the Bureau of Legislative Research, Policy Analysis & Research Section  
 School District Boundaries from the Arkansas Geographical Informational Office

% ALE FTE	Districts
0%	29
0.01%-<1%	119
1%-<2%	63
2%-<3%	19
3%+	9

The majority of the 210 districts that provide ALE programs for their students designate less than two percent of their students as ALE. However, eight districts designate more than three percent. Hot Springs School District has one of the largest percentages of students designated as ALE (4%). That district's percentage may be higher than average because it takes ALE



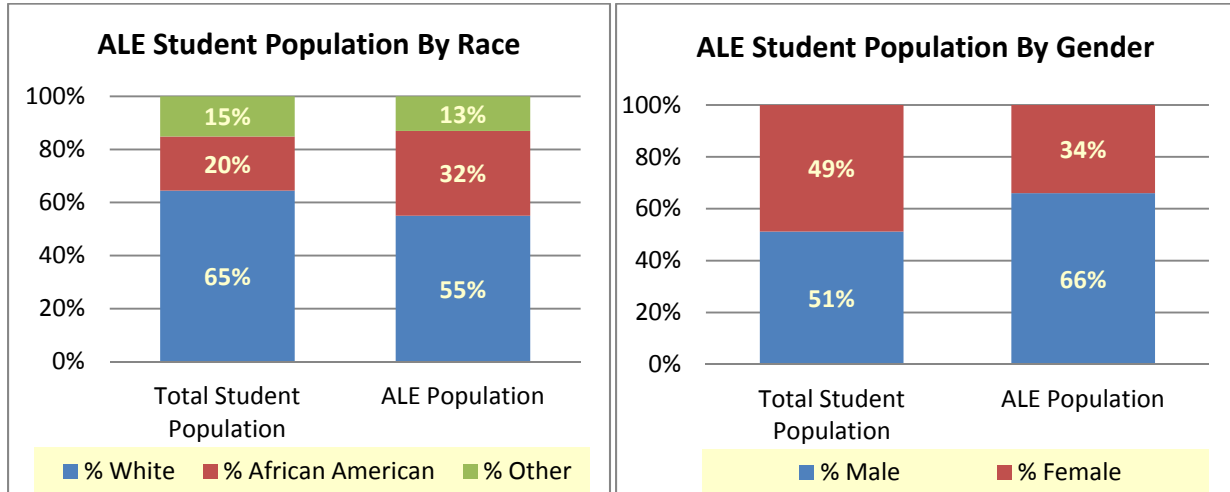
students from neighboring districts. While it is not the only district to draw from other districts, it is the only district to fully enroll those students and count them in their ALE student counts. On a headcount basis (rather than FTE count), districts with ALE students ranged from ALE concentrations of .1% to 15.7% of the district's total enrollment. The Department of Education's ALE staff use 2 to 3 percent as the general range in which districts should be. There is no law, regulation, or standard of accreditation that establishes a cap on ALE students.

Twenty-nine districts reported having no ALE students in 2012-13, despite the statutory requirement that all districts "shall provide one (1) or more alternative learning environments for all students who meet the minimum criteria established by the Department of Education" §6-48-102(a)(1). Sixteen districts reported having no ALE students for the past three years. The Bureau of Legislative Research contacted those sixteen districts via email to inquire about why they have had no operational ALE program for the previous three years. Below are samples of the responses received.

- "We currently do not have any alternative ed students from the middle school in an official ALE setting because we place those few students in an [in-school suspension] type of room where the teachers can come work with them during their planning period until we can get them where they can function in the classroom. ... The teachers stay about 15 minutes with them, which still allows [the teachers] to have their full planning time."
- "I think our small size and close community provides support for students who might otherwise be placed into an ALE program for behavior."
- "We did not have any students who qualified for ALE."
- "Our school has experienced tremendous growth academically over the last 5-6 years and we realized that putting students in ALE was not in the best interest of the students or the school. It may work well for some districts, but it did not/does not work well for us."
- "Because of the size of our school district we have a very low demand of students needing an ALE program. [We have] an agreement with our neighboring district...that if a student is in need of an ALE program they will attend their program. [We transport] the student(s) and they are counted on their ... ALE FTE."
- From a superintendent new to one of the 16 districts: "This is a question I asked when I came to ... School District...I found out our district is in partnership with [a neighboring] School District. I was told every time we attempt to send a student to the Alternative Program, the classes were full. However, no one was able to provide me referral documents or who serves on the referral committee." The district is planning for an ALE program in 2014-15.

## ALE POPULATION DEMOGRAPHICS

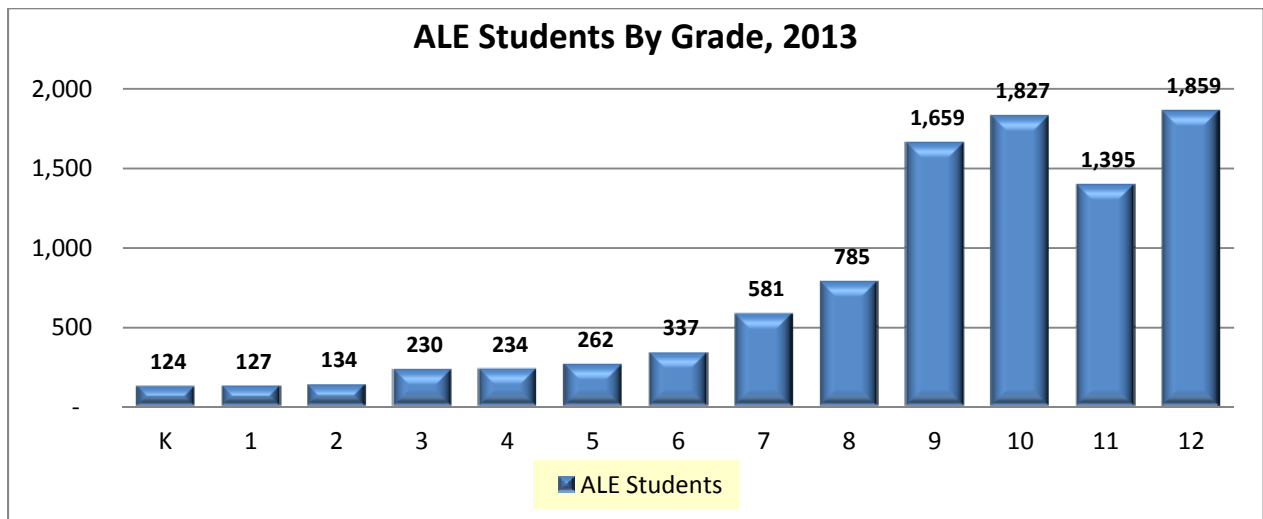
According to data collected by the Department of Education, the ALE population has an over-representation of African American and male students. The ALE population is comprised of 32% percent African American students and 66% percent male students. This can be compared with the overall student population that is comprised of 20% African American students and 51% male students.



Source: Arkansas Department of Education. Note: These figures are based on individual students, rather than ALE FTE figures because ADE's demographic data is not broken out by FTE. ADE Data Center, Enrollment by Race & Gender by District, <https://adedata.arkansas.gov/statewide/Districts/EnrollmentByRaceGender.aspx>

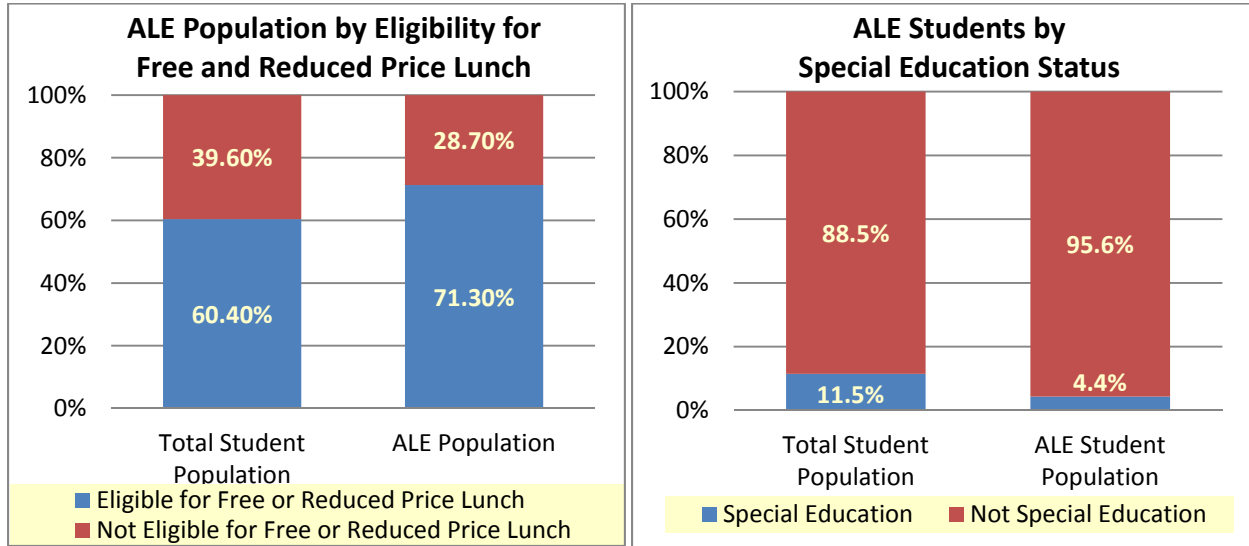
The proportions of male to female in both the total student population and the ALE population has changed very little over the past three years. However the percentage of the ALE population who are African American has decreased slightly over the past three years. In 2011, African American students made up 36% of the ALE population, but in 2013, they made up just 32%. White students are making up an increasing proportion of ALE students.

While most of the ALE students are high school students (70%), a small percentage of students in the lower grades are placed in ALE programs. Less than 1% of kindergartners (.31%) are placed in ALE, while 6.14% of 12<sup>th</sup> grade students are referred to the programs.



Source: Arkansas Department of Education. Note: These figures are based on individual students, rather than ALE FTE figures because ADE's demographic data is not broken out by FTE. These figures do not include 19 students whose grade was labeled something other than K-12.

A greater proportion of ALE students are eligible for free or reduced price lunch, compared with the total student population. However, a smaller proportion of ALE students are identified as special education students compared with the total student population.



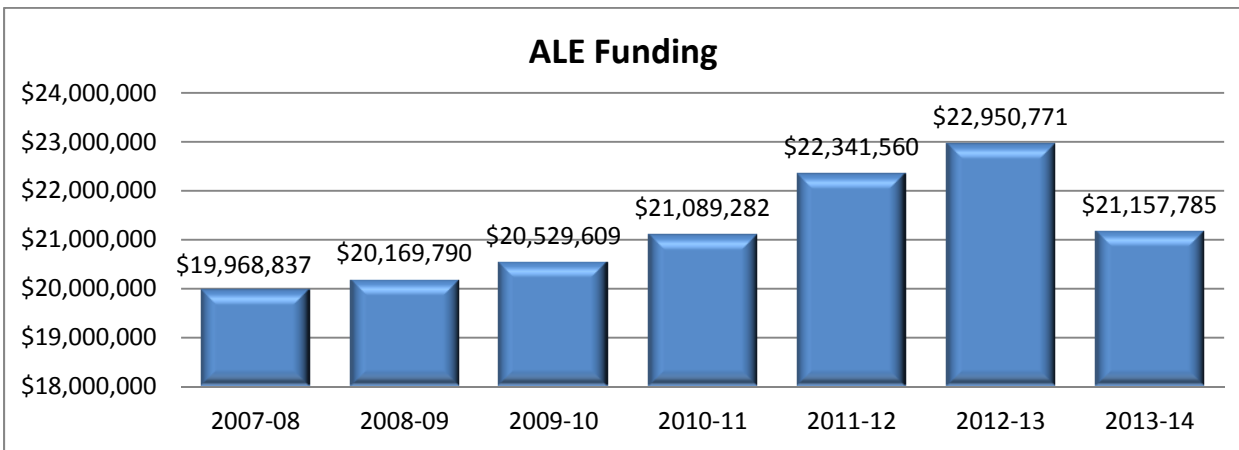
Source: Arkansas Department of Education. Note: These figures are based on individual students, rather than ALE FTE figures because ADE’s demographic data is not broken out by FTE.

## ALE FUNDING

Alternative learning environment programs are funded based on the number of full-time equivalent students in the program in the previous year. The FTE calculation considers the amount of days the student has been in the ALE program and the hours he or she is in the program each day. A student in an alternative learning environment must have been in the program for at least 20 consecutive days for the district to be eligible for funding. The following formula shows how ALE FTEs are calculated.

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

ALE funding for the current year is based on the number of ALE FTEs districts had in the previous year. For 2013, districts received \$4,228 for each ALE FTE student, or a total of nearly \$23 million. None of the open enrollment charter schools received ALE funding in 2012-13. The total ALE funding dropped to \$21.2 million in 2013-14, due to a significant drop in FTEs. (The 2013-14 figure was pulled from a preliminary version of the State Aid Notice.)



Source: Arkansas Department of Education State Aid Notice.

ALE funding is not intended to cover the full cost of ALE programs. The funding was designed to enhance the foundation funding districts receive for these students and allow districts to provide more intensive services for their additional educational needs. Each ALE FTE student generates \$4,228 in ALE funding and \$6,267 in foundation funding for a total of \$10,495 per student.

	Total ALE Categorical Funding	Total Foundation Funding Provided for ALE FTEs	Total ALE + Foundation Funding for ALE FTEs
2010-11	\$21,089,282	\$31,262,803	\$52,352,085
2011-12	\$22,341,560	\$33,116,160	\$55,457,720
2012-13	\$22,950,771	\$34,017,031	\$56,969,802

Students who are eligible for free or reduced price lunch also generate another \$517, \$1,033 or \$1,549 per student in National School Lunch state categorical funding, depending on the percentage of poverty students in the district.

Act 1482 of 2013 allowed ADE to provide additional funding to districts that transported their ALE students to a regional ALE center. Districts would qualify for the funding if they transported to a center serving at least three contiguous counties with high rates of poverty and declining enrollment. The legislation authorized ADE to provide the funding only if funding was available. No funding was provided in 2013-14.

## ALE EXPENDITURES

The following table shows the expenditures districts made using ALE categorical funds. These figures include expenditures made using money transferred to ALE from National School Lunch state categorical funds. Districts transferred \$11.5 million from NSL funds to ALE in 2011, \$16.4 million in 2012 and \$16.4 million in 2013. The table also shows how much additional funding—beyond the ALE categorical funds—was spent on ALE programs. This would include foundation funds spent on ALE programs. The total excludes federal funds.

	Total Expenditures From ALE Categorical Funds*	Total Expenditures on ALE Programs Using Funding Other Than ALE Categorical Funds	Total ALE Expenditures
2010-11	\$33,541,601	\$18,175,278	\$51,716,879
2011-12	\$40,596,639	\$13,159,485	\$53,756,124
2012-13	\$39,923,627	\$16,303,539	\$56,227,166

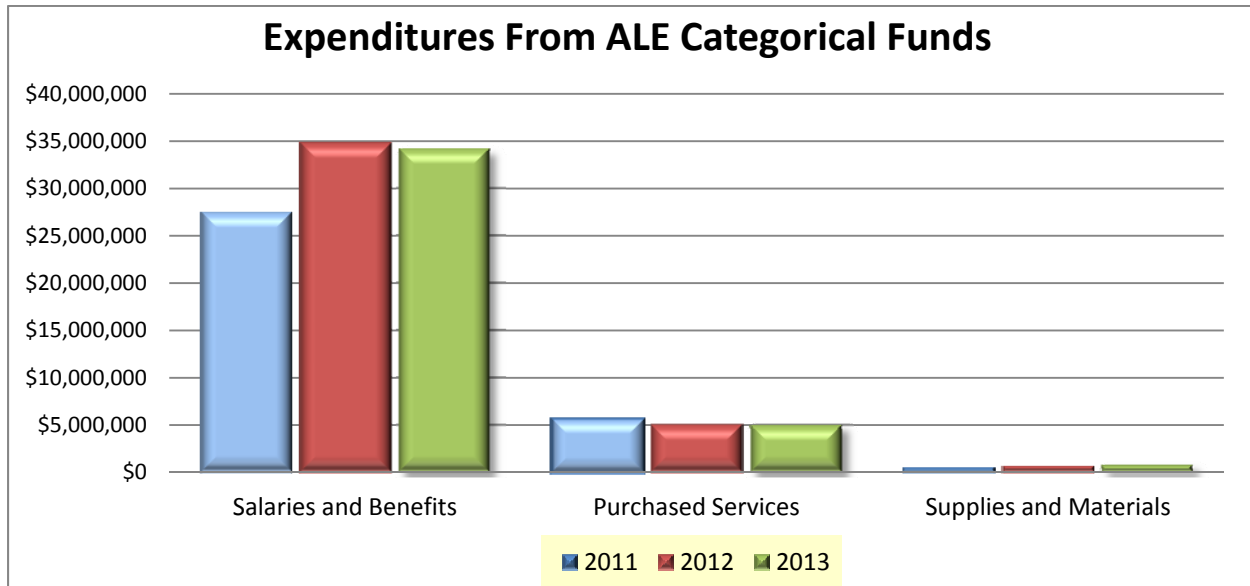
\*Note: These expenditures include those made using NSL funds that were transferred to ALE funds. They also exclude ALE funds that were transferred to other categorical programs.

On the whole, districts roughly spend on ALE programs the amount they receive in ALE funding and foundation funding for these students. However, they are more likely to use NSL funding to cover costs of ALE programs than they are to spend unrestricted funds, such as foundation funds.

	Per-Student ALE Funding	Per Student Foundation Funding	Total Per Student Funding	Per Student ALE Expenditures*
2010-11	\$4,063	\$6,023	\$10,086	\$9,963
2011-12	\$4,145	\$6,144	\$10,289	\$9,973
2012-13	\$4,228	\$6,267	\$10,495	\$10,359

\*The per-student expenditures above use the ALE FTE student count in the year in which funding was based. For example, the 2013 per student expenditures was calculated using the expenditures for the 2012-13 and the ALE FTE count for the 2011-12 school year.

The following table shows how districts spent their ALE categorical funds (including expenditures made using any NSL funding transferred to ALE) over the last three years. The vast majority of the funding supports salaries and benefits of ALE staff.



Note: The expenditures in the chart do not include transfers made from ALE funds to other categorical funds.

## FUND BALANCES

Collectively districts had \$1.63 million in ALE fund balances at the end of 2012-13, or \$300.45 per ALE FTE student. Districts collectively reduced the total amount of ending fund balances from \$2 million in 2011 to \$1.63 million in 2013. At the end of 2012-13, 143 districts had ALE fund balances. Of those districts that had a balance, the average fund balance was \$11,404. ADE officials note that districts carry year-end ALE fund balances, in part, so they have money for professional development conferences and other expenditures during the summer months. Additionally, because the first ALE funding payment is not made until October, fund balances also allow districts to cover expenses at the start of the school year.

	Total ALE Fund Balance	Districts With a Balance	Districts Without a Balance
2010-11	\$2,060,617	139	100
2011-12	\$1,716,994	136	103
2012-13	\$1,630,834	143	96

Ending Fund Balance	Number of Districts		
	2010-11	2011-12	2012-13
\$0	100	103	96
\$.01-1,000	27	31	34
\$1,001-\$10,000	63	61	73
\$10,001-\$50,000	43	39	31
More than \$50,000	6	5	5

## PROGRAM EFFECTIVENESS AND STUDENT ACHIEVEMENT

State statute requires the Department of Education to promulgate rules that establish “measures of effectiveness for alternative learning environments” that measure ALE students’ school performance, their need for intervention, their school attendance and their dropout rates. The current ALE rules do not identify measures of effectiveness. When asked what measures are used to assess ALE effectiveness, ADE said they were “developed on a local level in the Student Action Plans.”

State statute also requires ADE to evaluate each ALE program to ensure it is in compliance with the laws governing ALE and it is “effective under the measurements established by the department.” The evaluation is to be part of the accreditation review. The checklist used in ADE’s standards of accreditation review process includes six items on ALE, but none appear to evaluate measures of ALE effectiveness. Staff who handle the standards of accreditation review process noted that no schools or districts have been cited for violations of the six ALE items.

While ADE has not specifically identified measures to determine ALE programs’ effectiveness, the department does collect information on several ALE indicators. In its annual report to the House and Senate Education Committees, ADE provides district information on the following indicators.

Indicator	Number & Percentage of ALE Students
Number of ALE students who returned to the traditional educational environment	<b>2,260</b> students,* or <b>23.6%</b> of ALE students in 2012-13
Number of students who graduated as a direct or indirect indication of ALE intervention. (“Students” are defined as those who returned to traditional education after being in ALE for at least 20 days.)	<b>1,832</b> students
Number of ALE students who received a GED	<b>168</b> students, or <b>1.8%</b> of the ALE students in 2012-13
Number of students enrolled in an ALE in 2011-12 who returned to ALE in 2012-13	<b>2,880</b> students ,or <b>28.1%</b> of the ALE students in 2011-12
Number of students who exited ALE in 2012-13 and returned to ALE in the same year.	<b>1,232</b> students, or <b>12.9%</b> of students in ALE in 2012-13

\*According to ADE, some of these students may have been taking credit-recovery classes in ALE.

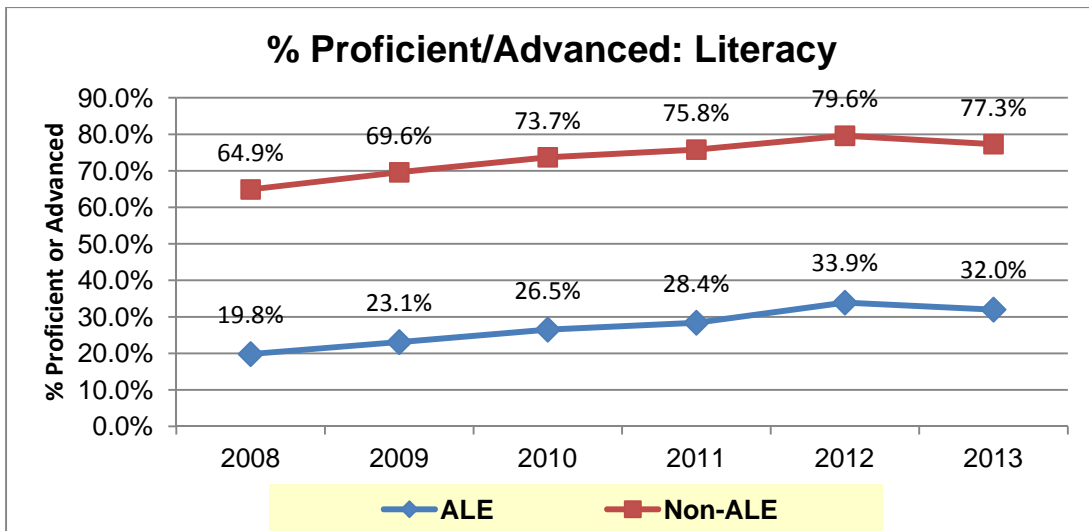
Little research exists addressing the effectiveness of alternative education programs primarily because of the variety in the structure of programs and of the students who attend them. In their 2007 report “Study of Effective Alternative Education Programs: Final Grant Report,” Mary Magee Quinn and Jeffrey M. Poirier noted that the goals for individual alternative education students vary widely, making it difficult to identify in a wide scale study whether achievement is improved with the programs.



**STATE ASSESSMENTS**

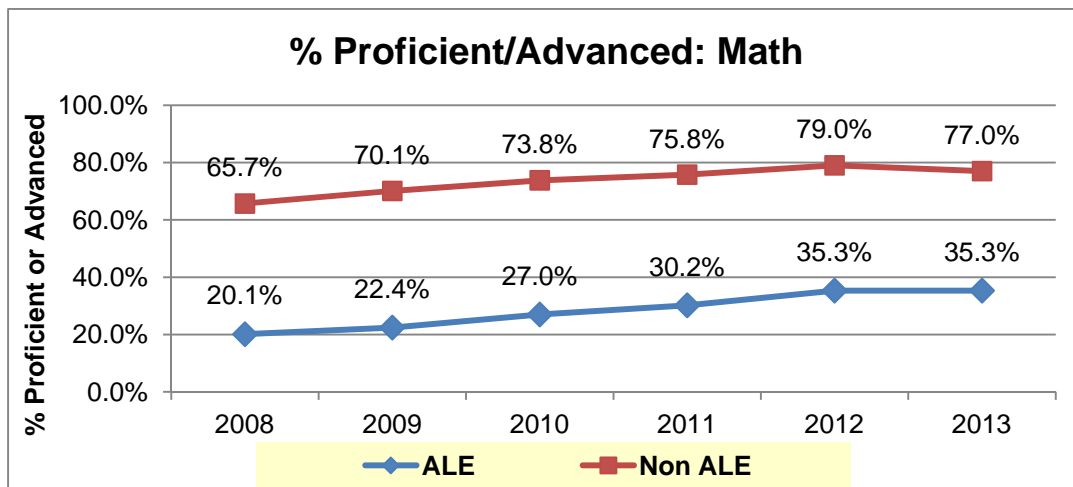
One way to measure the success of alternative educational programs could be ALE students' scores on state assessments. The following charts show the percentage of students who took a state benchmark or end of course exam and scored proficient (i.e., on grade level) or advanced. (Students in some grades, such as second grade, do not take benchmark or end of course exams.) The charts compare the percentage of ALE students who tested proficient or advanced with the percentage of non-ALE students who were proficient or advanced. ALE students are those who were assigned to an ALE program for 20 or more days.

Statewide, ALE students perform well below the state average. The percentage of ALE students who are proficient in literacy is about 45 percentage points below students who are not ALE.



Source: Student-level data provided by Arkansas Research Center

ALE students are doing slightly better in math. Although just 35% of ALE students tested proficient or advanced on math tests, as a group they are 41.7 percentage points behind non-ALE students. That gap has narrowed slightly from 2009 when ALE and non-ALE students were 47.7 percentage points apart.



Source: Student-level data provided by Arkansas Research Center

The table below also shows the student achievement levels of each of the state’s standalone ALE schools. The table provides each school’s status under the Elementary and Secondary Education Act (ESEA, also known as No Child Left Behind) Under the ESEA Flexibility Plan, all schools are designated each year as **achieving** or **needs improvement**, depending on whether they meet their established performance targets and graduation rates. Additionally, the ADE designated the lowest performing 5 percent of schools in the state (48 schools) as “needs improvement **priority schools**.” 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.

The table also shows the percent of students who tested proficient or advanced on state assessments for each school and the graduation rate, where applicable. For comparison, the statewide graduation rate for 2012-13 was 84.94%.

District	School	Status	Literacy	Math	Grad Rate
Hot Springs	Summit School	Needs Improvement Priority	19.35%	40.54%	46.67%
Cabot	Cabot Learning Academy	Needs Improvement	14.29%	14.29%	NA
Cabot	Academic Center For Excellence	Needs Improvement Focus	78.95%	70.27%	45.21%
Little Rock	Accelerated Learning Program	Needs Improvement	0%	0%	100%
Little Rock	W. D. Hamilton Learning Academy	Needs Improvement	0%	4.17%	NA
Springdale	Springdale Alternative School	Needs Improvement Priority	30.77%	66.67%	38.71%
Beebe	Badger Academy	Needs Improvement	28.57%	0%	57.14%
Texarkana	Washington Academy	Opened in 2013-14	NA	NA	NA

## CONCLUSION

An Alternative Learning Environment (ALE) is an intervention program that seeks to eliminate barriers to learning for at-risk students. Arkansas law requires every school district to offer an ALE program for all students who qualify. To be placed in an ALE program, students must be referred by the district's or school's Alternative Education Placement Team because they are exhibiting or experiencing at least two of the issues specified in ADE rules, including disruptive behavior, dropping out of school or recurring absenteeism.

To help districts pay for smaller class sizes and the additional services these students need, the state provides ALE categorical funding. Like other categorical funds, ALE money is considered restricted, meaning it can be used only for activities related to ALE programs. For 2012-13, districts received \$4,228 per ALE student. Districts receive funding based on the number of full-time equivalent ALE students in the program in the previous year. The FTE calculation considers the amount of days the student has been in the ALE program and the hours he or she is in the program each day. A student in an alternative learning environment must have been in the program for at least 20 consecutive days for the district to be eligible for funding.

In 2012-13, there were about 5,000 ALE FTE students statewide, or about 1% of the approximately 460,000 students in the state's school districts. ALE enrollment figures indicate the number of ALE FTE students increased each year through 2012 and then decreased nearly 9.5% in 2013. The decrease may be related to revised rules with more rigorous program requirements and ADE's efforts to ensure districts do not receive ALE funding for students who require only credit recovery.

Like the number of ALE FTE students, the number of districts reporting any ALE FTE students dropped in 2013, with 210 of the 239 districts reporting ALE FTE students and 29 districts reporting none. Those that had no ALE students provided a variety of reasons, including having no students who qualified, using an in-school suspension setting instead, and a belief that ALE placement is not in the best interest of the district's students.

ALE funding was designed to enhance the foundation funding that districts receive for these students and allow districts to provide more intensive services for their additional needs. In 2012-13, each ALE FTE student generated \$4,228 in ALE funding and \$6,267 in foundation funding for a total of \$10,495 per student. In 2012-13, districts received \$23 million in ALE categorical funding and another \$34 million in foundation funding for the more than 4,900 ALE FTEs. Districts also transferred \$16.4 million in NSL funding to their ALE funds. Districts spent \$40.1 million of their ALE funds and they spent another \$16.7 million on ALE programs using funding from other sources.

On the whole, districts roughly spent on ALE programs the amount they received in ALE funding and foundation funding. However, they are more likely to actually use NSL funding to cover the costs of ALE programs than they are to spend unrestricted funds, such as foundation funds.

Although ADE has not specified measures that can be used to assess ALE program effectiveness, student test scores on state assessments may provide some information about these programs. Statewide, ALE students (those who have been in ALE at least 20 days) perform well below the state average on state assessments. The percentage of ALE students who tested proficient in literacy is about 45 percentage points below non-ALE students. ALE students performed slightly better in math than in literacy. Although just 35% of ALE students tested proficient or advanced on math tests, as a group they are 41.7 percentage points behind non-ALE students. That gap has narrowed slightly from 2009 when ALE and non-ALE students were 47.7 percentage points apart.