

Special Report

Arkansas Legislative Audit

Review of Transactions and Services

Solution Tree, Inc., and Affiliates

For the Period July 1, 2017 through January 31, 2024



INTRODUCTION

This report is issued pursuant to a request, approved by the Legislative Joint Auditing Committee (LJAC), for Arkansas Legislative Audit (ALA) to review expenditures made by the Arkansas Department of Education (ADE), public school districts (schools), education service cooperatives (coops), and higher education institutions to Solution Tree, Inc. (Solution Tree), and its Affiliates: (a) Marzano Resources and (b) Results Coaching Global LLC.

OBJECTIVES

The objectives of this review were to:

1. Provide payments made by ADE, schools, coops, and higher education institutions to Solution Tree and Affiliates.
2. Determine services provided by Solution Tree and Affiliates to ADE and assess compliance with Arkansas procurement laws.
3. Obtain and review contracts between schools/coops and Solution Tree/Affiliates to determine services provided and compliance with Arkansas procurement laws.
4. Determine whether employees of ADE, schools, and coops were employed by or performed contract services for Solution Tree and/or Affiliates and identify potential conflicts of interest.

SCOPE AND METHODOLOGY

This review was conducted primarily for the period July 1, 2017 through January 31, 2024. ALA staff utilized financial data in the Arkansas Administrative Statewide Information System (AASIS) and Arkansas Public School Computer Network (APSCN) and reviewed contracts, invoices, and expenditure reports related to payments made to Solution Tree and Affiliates. Additionally, certain representatives from ADE, schools, and coops were interviewed.

BACKGROUND

Legislation and Funding

Act 427 of the Regular Session of 2017 requires that additional funding in professional development, as described in Ark. Code Ann. § 6-20-2305(b)(5), be used for professional learning communities (PLCs),¹ for

¹ A “professional learning community” is defined as “an ongoing process in which educators work collaboratively in recurring cycles of collective inquiry and action research to achieve better results for the students they serve” and operates “under the assumption that the key to improved learning for students is continuous job-embedded learning for teachers” (Arkansas Department of Education Rules Governing Professional Learning Communities, https://dese.ade.arkansas.gov/Files/20201203111221_PLC_Rules_FINAL.pdf).

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the benefit of public school districts, stating “The Department of Education may partner with or choose a person, firm, corporation, or education service cooperative to provide the knowledge, skills, experience, and expertise for the development of a research-based process for the implementation of professional learning communities.”

Subsequently, in a letter dated June 13, 2017, the Office of State Procurement (OSP) Director authorized ADE to initiate “special procurement” of a contract with Solution Tree, starting July 1, 2017, without seeking bids, to train Arkansas teachers and administrators in the PLC at Work[®] process (PLC Project).

To expand the PLC Project, ADE awarded a grant of just under \$5.1 million, using federal American Rescue Plan Act (ARPA) funds, to the Arkansas Association for Educational Administrators (AAEA),² with a grant award period of July 1, 2021 through September 30, 2024. Through this expansion of the PLC Project, Arkansas practitioners previously trained by Solution Tree were to lead participants at other schools in the State.

Additionally, higher education institutions, schools, and coops have contracted directly with Solution Tree and Affiliates to provide professional development services that include conferences, onsite and/or virtual professional development, and book and instructional resources.

Solution Tree and Affiliates

Established in 1998, Solution Tree offers events for educators; virtual and onsite professional development; resources such as books, videos, and online courses; and programs such as PLC at Work. It primarily operates from headquarters located in Bloomington, Indiana, and maintains offices in Arizona, Arkansas, California, Iowa, Texas, and Washington. The Arkansas office, located in Little Rock, includes a training center where events for educators are held.

As previously noted, the two Solution Tree Affiliates discussed in this report are (a) Marzano Resources and (b) Results Coaching Global LLC. In 2008, Solution Tree announced a joint venture that created Marzano Research. Although Solution Tree sold this research division in 2019, it continues to offer services and products through Marzano Resources, which operates offices in Bloomington, Indiana, as well as Centennial, Colorado. Results Coaching Global, which was founded in 2015, was acquired by Solution Tree in 2022 and primarily offers educator coaching.

RESULTS OF REVIEW

The results of ALA staff review are discussed below by objective.

Objective 1: Provide Payments Made by ADE, Schools, Coops, and Higher Education Institutions to Solution Tree and Affiliates

Solution Tree and Affiliates received a total of \$144.6 million for the period July 1, 2017 through January 31, 2024, as shown in **Schedule 1 on page 10**, including \$80.1 million from ADE and \$63.0 million from schools and coops. Additionally, based on information requested by ALA from 35 higher education institutions, seven institutions paid \$1.6 million to Solution Tree and Affiliates for the same period, as shown in **Schedule 1**.

During fiscal year 2023, a total of \$35.8 million was paid to Solution Tree and Affiliates, with approximately 46.9% (\$16.8 million) coming from federal sources, 51.7% (\$18.5 million) coming from non-federal sources, and 1.4% (\$485,479) coming from unclassified sources,³ as shown in **Schedule 2 on page 11**.

² AAEA is an association composed of 13 organizations to which educational administrators of varying specialties may belong (see <https://www.theaaea.org/page/constituent-groups>).

³ Unclassified sources are composed of payments made by higher education institutions.

Objective 2: Determine Services Provided by Solution Tree and Affiliates to ADE and Assess Compliance with Arkansas Procurement Laws

Solution Tree

Contract

As previously noted, the OSP Director authorized ADE, in a letter dated June 13, 2017, to initiate “special procurement” of a contract with Solution Tree, starting July 1, 2017, without seeking bids. To execute a special procurement, the head of a procurement agency must make a written determination that an unusual or unique situation makes applying the requirements of competitive bidding contrary to public interest. The request must explain the circumstances justifying special procurement and reasons for selecting the prospective vendor, pursuant to Ark. Code Ann. § 19-11-263. In the aforementioned letter, the OSP Director stated that the limited amount of time ADE had to implement PLCs for the school year, as required by Act 427, created an “unusual and unique situation.”

All non-exempt contracts for services, as defined in Arkansas procurement law, must be presented for legislative review if they have an annual contract amount that equals or exceeds \$50,000 in any contract year or a total projected contract amount of \$350,000 over the term of the contract. OSP submitted the Solution Tree contract for services and subsequent amendments to the Arkansas Legislative Council annually for review. The contract term and corresponding amounts are provided in **Exhibit I**.

Services

The goal of the PLC Project is to provide coaching and support to Arkansas teachers and administrators for creating a collaborative culture focused on student learning and results. According to Solution Tree, the three-year PLC Project includes providing events, resources, and 50 days of onsite coaching per school each year to establish shared knowledge and vocabulary surrounding the PLC Project; creating collaborative teams of practitioners; and continuously improving practices, policies, and procedures.

Since August 2017, schools in six cohorts have participated in the PLC Project, as shown in **Schedule 3 on page 12**. The first cohort consisted of 11 schools or districts, and additional cohorts of equal or greater size were added, with three cohorts being trained each year in their respective development period. As of report date, cohorts 1 - 4 had completed the three-year training, and cohorts 5 and 6 were in years 3 and 2, respectively.

Additional PLC networks or programs were developed to support various schools, coops, higher education institutions, and education renewal zones⁴ not part of a PLC Project cohort.

⁴ Established by the General Assembly, education renewal zones (ERZs) are part of a statewide initiative to improve public school performance and student academic achievement by serving as a “bridge” between P-12 schools and institutions of higher education. Currently, six ERZ offices are located at universities around the state that offer teacher education programs (see <https://dese.ade.arkansas.gov/Offices/special-projects/education-renewal-zones>).

Exhibit I

Solution Tree Contracts Reviewed by Arkansas Legislative Council For the Period August 1, 2017 through June 30, 2024

Contract Term	Contract Amount
8/1/2017 - 7/30/2018	\$ 4,000,000
8/1/2018 - 6/30/2019	8,500,000
7/1/2019 - 6/30/2020	12,500,000
7/1/2020 - 6/30/2021	12,500,000
7/1/2021 - 6/30/2022	14,500,000
7/1/2022 - 6/30/2023	16,500,000
7/1/2023 - 6/30/2024	15,400,000
Total Paid	\$ 83,900,000

Source: Summary Schedule of State Agency Contracts for Arkansas Legislative Council Review (unaudited by Arkansas Legislative Audit)

These included (a) PLC Regional Network and (b) System of Support, which expanded the PLC Project, and (c) Role of the Principal and (d) District Leadership, which provided additional support to principals and superintendents/central office administrators, respectively.

Based on a review of Solution Tree invoices, payments totaling \$16.5 million under the PLC contract for fiscal year 2023 are consistent with services outlined in the contract. A summary of monthly services provided to 31 individual schools and 9 districts is provided in **Schedule 4 on page 13**.

Marzano Resources

Certain commodities and services, specified in Ark. Code Ann. § 19-11-203, are exempt from standard procurement procedures, and educational books were purchased from Marzano Resources as an exempt commodity. Invoices paid by ADE to Marzano Resources also included professional development training. Based on the review of invoices for fiscal year 2023, Marzano Resources was paid \$3,938 for books and instructional toolkits for ADE Office of Special Projects staff and \$3,300 for speaking fees for two statewide virtual conferences titled “Motivating and Inspiring Students.”

Arkansas Association for Education Administrators (AAEA)

As previously mentioned, ADE awarded a \$5.1 million ARPA-funded grant to AAEA, with a grant award period of July 1, 2021 through September 30, 2024, to form the PLC Regional Network. The PLC Regional Network, mentioned above, utilized Arkansas practitioners, previously trained by Solution Tree in a cohort, to lead schools and districts in the State. The schools and districts accepted into the PLC Regional Network, listed in **Schedule 5 on page 14**, were not part of the initial PLC Project cohorts.

AAEA contacted 31 Arkansas practitioners, mainly principals, during the grant period to request that each practitioner provide at least one day of onsite coaching per month to a member of the PLC Regional Network. These practitioners were to be paid at a daily rate of \$1,000 for school non-contract days or \$500 for school contract days (plus the practitioner’s normal daily rate of pay). The schools were reimbursed for their contract daily rates by AAEA through the grant funds. In addition, 19 teachers participated during the grant period and were paid \$500 per semester to lead collaborative teams virtually from 3:30 to 4:30 p.m., after conclusion of the school day. In total, individuals and school districts had received \$642,029 from AAEA as of December 31, 2023; this amount includes travel reimbursements of \$57,902.

Grant payments made to Solution Tree via AAEA are included in the expenditure summaries in **Schedules 1 and 2 on pages 10 and 11**, respectively.

Based on review of invoices, contract documentation, and other supporting documentation, ALA staff determined that the services summarized above, as well as the contract and payments for services rendered, comply with Arkansas procurement laws.

Objective 3: Obtain and Review Contracts between Schools/Coops and Solution Tree/Affiliates to Determine Services Provided and Compliance with Arkansas Procurement Laws

ALA staff reviewed invoice documentation provided by a sample of 30 school districts and coops for payments to Solution Tree and Affiliates in fiscal year 2023. Payments reviewed in this sample comprised \$12.2 million (69%) of the \$17.7 million total expenditures to these

vendors by schools and coops. Payments were made for non-refundable advance deposits required by contracts, actual deliverables based on monthly invoices detailing the services performed, conference registrations, and purchases of books and instructional materials. A summary of these payments is provided in **Schedule 6 on page 15**, and a breakdown of payments by products and services is provided in **Schedule 7 on page 16**.

Non-Refundable Advance Deposits

Of the 30 districts reviewed, 18 paid non-refundable advance deposits totaling \$1.2 million, in compliance with their contract terms. The amounts paid by fund category were as follows:

- \$459,091 from Elementary and Secondary School Emergency Relief (ESSER) funds.
- \$446,468 from Title I federal funds.
- \$209,347 from Special Education federal funds.
- \$41,750 from Operating Funds.
- \$13,100 from other federal funds.

Paying advance deposits from public funds is not a recommended business practice.

Professional Development Services

School districts traditionally do not procure professional development services through a bidding process due to the specific nature of the services being provided. Ark. Code Ann. § 6-21-304 requires bid solicitation for purchases of commodities, unless otherwise excluded, when the estimated cost equals or exceeds \$20,000 adjusted by the percentage change in the Consumer Price Index (CPI) for All Urban Consumers or its successor. For the 2022-2023 school year, the purchasing threshold for bidding was \$23,100. Ark. Code Ann. § 6-21-301 defines “commodities” as “all supplies, goods, material, equipment, machinery, facilities, personal property, and services, other than personal and professional services, purchased for or on behalf of the school district” [emphasis added]. Professional development services appear to be generally considered as personal and professional services.

Contracts and payments for services, reviewed by ALA, complied with Arkansas procurement laws.

Objective 4: Determine Whether Employees of ADE, Schools, and Coops Are Employed by or Perform Contract Services for Solution Tree and/or Affiliates and Identify Potential Conflicts of Interest

Arkansas Department of Education

Based on ALA inquiry of ADE management and review of invoices, no ADE employees are employed by Solution Tree or its Affiliates. It should be noted that the Associate Deputy Commissioner – District Operations published one book and provided a one-day training to a school in West Virginia, both through Solution Tree. These services were properly disclosed in the 2023 Statement of Financial Interest filed with the Secretary of State on January 10, 2024. Additionally, the ADE Director of the Office of Special Projects gave a presentation as an ADE employee to the Solution Tree coaches working in Arkansas schools regarding the impact of the LEARNS Act shortly after its passage; she stated that she received no reimbursement or compensation from Solution Tree.

For fiscal year 2023, ALA reviewed payments totaling \$67,187 and \$7,238 made by ADE to Solution Tree and Marzano Resources, respectively, in addition to the contract-related payments.

Based on review of invoices and contract documentation, ALA staff noted no purchases from Solution Tree or Marzano Resources of books authored by ADE employees and noted no conflicts of interests in the authorization and approval of invoices and contracts in the procurement of goods or services by ADE from Solution Tree. None of the authors or speakers listed on these invoices were found to be employed by ADE or Arkansas schools.

School Districts/Education Service Cooperatives

Based on review of the Solution Tree website, ALA staff identified 15 practitioners who provided services and were employees of Arkansas schools or ADE. Of this 15, 10 were employed by schools selected for testing in Objective 3, and 1 was employed by ADE. All 11 were disclosed to ALA by the seven respective schools and by ADE. In addition, a school disclosed one employee who was not listed on the Solution Tree website as having a relationship with Solution Tree, bringing the total number of employees examined to 12. ALA staff reviewed invoices for fiscal year 2023, contracts, and responses from schools for the 12 employees and noted the following:

- One ADE employee authored a book published by Solution Tree, as noted on **page 5**. Review of fiscal year 2023 invoices from a sample of 30 school districts and coops, discussed on **pages 4 and 5**, indicated one school purchased five copies of this book through Solution Tree.
- Two school employees provided coaching services through Solution Tree to other Arkansas schools. Neither of these individuals was involved in school contract procurement, according to representatives of the respective schools. A memorandum of understanding (MOU) between one of these employees and the school board established terms of the agreement and compliance with board policies.
- Two school employees and an administrator were identified by their respective schools as participating in the school's procurement process of contracts with Solution Tree and Affiliates; however, none were listed on any invoices reviewed as a coach/instructor or author of services and products purchased.
 - ⇒ Two employees signed pre-approval forms.⁵ One of these employees was on school curriculum teams that selected and/or validated Solution Tree for various projects. The pre-approval forms were then approved at higher levels of management.
 - ⇒ An administrator became part of the procurement process during fiscal year 2024 and received a proposal for continued services from Marzano Resources. The proposal was then approved at a higher management level.
- Of the remaining six employees, none were reflected as an instructor or author on any invoices reviewed or as having involvement in their school's procurement process of contracts with Solution Tree and Affiliates, based on ALA staff inquiry and review of school documentation.

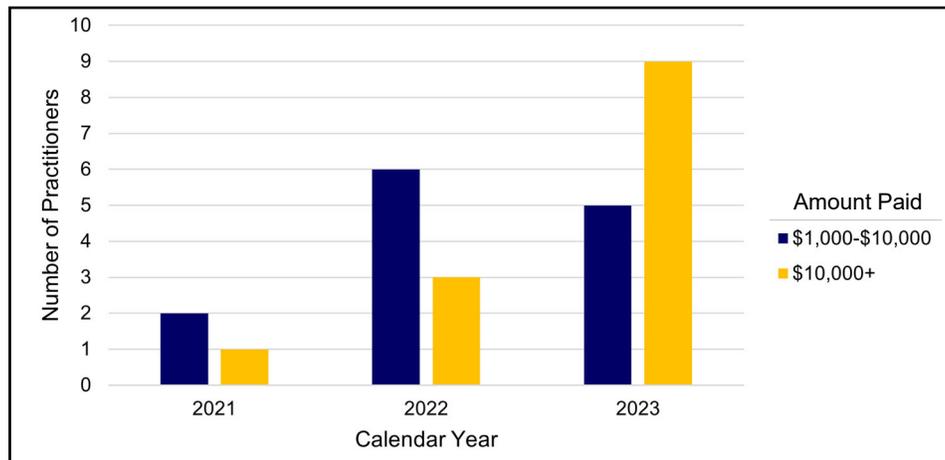
⁵ Pre-approval forms are a step in the procurement process that requires detailed information about the purchase, as well as approval by multiple levels of management before initiating the purchase.

Solution Tree provided the information listed below, and illustrated in **Exhibit II**, regarding compensation to the 16 Arkansas practitioners identified in the above section, who were utilized as independent contractors during calendar years 2021, 2022, and 2023:

- During 2021, three Arkansas practitioners were compensated for services. Two practitioners were paid between \$1,000 and \$10,000, and one was paid more than \$10,000.
- During 2022, nine Arkansas practitioners were compensated. Six were paid between \$1,000 and \$10,000, and three were paid more than \$10,000.
- During 2023, 14 Arkansas practitioners were compensated. Five were paid between \$1,000 and \$10,000, and nine were paid more than \$10,000.

Exhibit II

Solution Tree Payments to 16 Arkansas Practitioners Utilized as Independent Contractors For Calendar Years 2021 through 2023



Source: Information provided by Solution Tree, Inc. (unaudited by Arkansas Legislative Audit)

Additionally, book royalty payments between \$1,000 and \$10,000 were made to a practitioner in calendar year 2023, and an ed tech contributor payment totaling \$500 or less was made to a practitioner in calendar year 2021. These payments are not included in **Exhibit II**.

Arkansas Association for Educational Administrators (AAEA)

ALA staff examined supporting documentation for 10 AAEA grant expenditures. Payments included amounts for PLC coaching training, related travel expenses, and reimbursements to schools for training days occurring during an employee's contract period. None of the employees examined were identified on Solution Tree's website as having a relationship with Solution Tree. Additionally, the employees' schools were reimbursed a daily rate for any training that occurred on a contract day. Based on a review of fiscal year 2023 invoices from the 30 sample schools, none of these employees were listed as a coach/instructor or author of services and products purchased.

Overall, based on inquiry with schools and review of invoices, contracts, and publicly available information on Solution Tree's website, ALA staff determined that no roles or responsibilities of the practitioners examined, who are associated with ADE, schools, coops, and AAEA, appear to be in conflict with Arkansas ethics requirements found in Ark. Code Ann. §§ 6-24-106, -107.

SUMMARY

For the period July 1, 2017 through January 31, 2024, Solution Tree and Affiliates received a known total of \$144.6 million from ADE, Arkansas schools and coops, and higher education institutions (as illustrated in **Schedules 1 and 2 on pages 10 and 11**, respectively). Of the employees identified with a relationship to Solution Tree, no roles or responsibilities appear to conflict with Arkansas ethics requirements. Services and products purchased from Solution Tree and Affiliates appear to comply with Arkansas procurement laws; however, making advance payments using public funds is not a recommended business practice.

ARKANSAS DEPARTMENT OF EDUCATION RESPONSE

Response to the report from ADE is provided in its entirety in **Appendix A**.

SCHEDULES

- Schedule 1:** Arkansas Department of Education (ADE), Public Schools, Education Service Cooperatives (Coops), and Higher Education Institutions – Expenditure Summary for Solution Tree and Affiliates by Payor-Recipient – For the Period July 1, 2017 through January 31, 2024
- Schedule 2:** Arkansas Department of Education (ADE), Public Schools, Education Service Cooperatives (Coops) and Higher Education Institutions – Expenditure Summary for Solution Tree and Affiliates by Funding Source – For the Period July 1, 2017 through January 31, 2024
- Schedule 3:** Solution Tree Professional Learning Community (PLC) Project Cohort Schools – For School Years 2017 through 2022
- Schedule 4:** Solution Tree Contract Billing Summary – For Fiscal Year 2023
- Schedule 5:** Schools and Districts Accepted in the Professional Learning Community (PLC) Regional Network – Under a Grant Awarded to the Arkansas Association for Education Administrators (AAEA) – For the Period July 1, 2021 through September 30, 2024 – By Education Service Cooperative (Coop)
- Schedule 6:** Payments to Solution Tree and Affiliates – By Selected Arkansas School Districts and Education Service Cooperatives – For Fiscal Year 2023
- Schedule 7:** Payments to Solution Tree and Affiliates by 30 Schools Reviewed – By Products and Services – For Fiscal Year 2023

Schedule 1

**Arkansas Department of Education (ADE), Public Schools, Education Service Cooperatives (Coops),
and Higher Education Institutions
Expenditure Summary for Solution Tree and Affiliates by Payor-Recipient
For the Period July 1, 2017 through January 31, 2024**

Summary by Payor-Recipient*	Fiscal Year					Totals	
	2018	2019	2020	2021	2022		2023
ADE							
Solution Tree - directly	\$ 4,030,244	\$ 8,729,018	\$ 12,068,967	\$ 12,711,310	\$ 14,485,062	\$ 16,334,160	\$ 8,576,784
Solution Tree - via AAEA***					1,022,189	1,287,369	572,144
Marzano		35,481	14,081	29,655	190,624	7,238	277,078
ADE Totals	\$ 4,030,244	\$ 8,764,499	\$ 12,083,048	\$ 12,740,964	\$ 15,697,875	\$ 17,628,767	\$ 9,148,927
Public Schools and Coops****							
Solution Tree	\$ 1,208,626	\$ 3,108,640	\$ 6,828,645	\$ 8,866,122	\$ 16,405,138	\$ 17,019,435	\$ 5,408,814
Marzano	44,702	404,093	683,253	615,000	1,172,140	691,462	289,477
Results Coaching Global LLC	26,967	35,275	41,805	46,536	67,411	17,820	235,813
Public School and Coop Totals	\$ 1,280,295	\$ 3,548,008	\$ 7,553,702	\$ 9,527,659	\$ 17,644,689	\$ 17,728,717	\$ 5,698,291
Higher Education Institutions							
Solution Tree	\$ 184,049	\$ 84,913	\$ 72,058	\$ 188,668	\$ 184,330	\$ 436,781	\$ 66,680
Marzano		31,316	40,756	142,569	63,194	48,698	26,732
Higher Education Totals	\$ 184,049	\$ 116,229	\$ 112,814	\$ 331,237	\$ 247,524	\$ 485,479	\$ 93,412
Grand Totals	\$ 5,494,588	\$ 12,428,736	\$ 19,749,564	\$ 22,599,860	\$ 33,590,088	\$ 35,842,962	\$ 14,940,630
Totals	\$ 76,935,544	\$ 2,881,702	\$ 277,078	\$ 80,094,324	\$ 58,845,420	\$ 3,900,127	\$ 235,813

*Vendor grouping "Solution Tree" includes Solution Tree, Inc.; Solution Tree LLC; Solution Tree Marzano; Solution Tree Canada, Inc.; and National Education Service (NES).

Vendor grouping "Marzano" includes Marzano Resources; Marzano Research; Marzano Laboratory LLC; Marzano Research; Marzano Laboratory, and Marzano Academies, Inc.

**Through January 31, 2024.

***AAEA = Arkansas Association of Education Administrators. Grant payments by ADE to AAEA are encompassed in this summary. The amounts reported are those expenses reported back to ADE by AAEA, as opposed to the total payments made by ADE to AAEA.

****Excludes charter schools.

Sources: Arkansas Administrative Statewide Information System (AASIS); grant recipient expense reports submitted by AAEA to ADE; and Arkansas Public School Computer Network (APSCN) (unaudited by Arkansas Legislative Audit)

Schedule 2

**Arkansas Department of Education (ADE), Public Schools, Education Service Cooperatives (Coops),
and Higher Education Institutions
Expenditure Summary for Solution Tree and Affiliates by Funding Source
For the Period July 1, 2017 through January 31, 2024**

Summary by Funding Source*	Fiscal Year					Totals	
	2018	2019	2020	2021	2022		2023
Federal							
ADE and AAEA***	\$ 20,070	\$ 189,562	\$ 87,970	\$ 75,902	\$ 1,277,286	\$ 1,328,711	\$ 586,444
Public Schools and Coops							
Title I	262,460	1,676,636	5,688,462	6,385,177	7,773,798	7,526,731	2,046,347
Education Stabilization Fund				300,372	6,450,965	4,996,810	1,162,441
Other	252,518	363,975	654,713	1,470,935	1,867,988	2,972,316	1,230,235
Total	\$ 535,048	\$ 2,230,173	\$ 6,431,145	\$ 8,232,386	\$ 17,370,038	\$ 16,824,568	\$ 5,025,467
Non-Federal							
ADE - State	\$ 4,010,174	\$ 8,574,936	\$ 11,995,078	\$ 12,665,062	\$ 14,420,589	\$ 16,300,056	\$ 8,562,484
Public Schools and Coops****							
General	383,553	119,052	183,972	63,934	317,796	670,141	844,657
State	369,879	1,377,898	1,026,283	1,307,148	1,233,767	1,559,685	413,708
Other	11,885	10,448	272	93	374	3,034	903
Total	\$ 4,775,492	\$ 10,082,333	\$ 13,205,605	\$ 14,036,238	\$ 15,972,527	\$ 18,532,916	\$ 9,821,751
Unclassified*****	\$ 184,049	\$ 116,229	\$ 112,814	\$ 331,237	\$ 247,524	\$ 485,479	\$ 93,412
Grand Totals	\$ 5,494,588	\$ 12,428,736	\$ 19,749,564	\$ 22,599,860	\$ 33,590,088	\$ 35,842,962	\$ 14,940,630

*Funding Sources: Federal Funding for (1) ADE Funding = Funds beginning with "F"; and (2) Public Schools and Coops. - Federal = Funds 6000-6999.
Non-Federal Funding for (1) ADE - State = all Treasury funds not beginning with "F"; (2) Public School and Coops. - General = Funds 2000-2200; State = Funds 2201-2952;

**Through January 31, 2024

***AAEA = Arkansas Association of Education Administrators

****Excludes charter schools.

*****This information was obtained from multiple higher education institutions and did not include funding source.

Sources: Arkansas Administrative Statewide Information System (AASIS); grant recipient expense reports submitted by AAEA to ADE; and Arkansas Public School Computer Network (APSCN) (unaudited by Arkansas Legislative Audit)

**Solution Tree Professional Learning Community (PLC) Project Cohort Schools
For School Years 2017 through 2022**

Cohort 1 School/District List (2017)	Cohort 2 School/District List (2018)
Ballman Elementary School, Fort Smith School District Bragg Elementary School, West Memphis School District Douglas MacArthur Junior High School, Jonesboro School District Eastside Elementary School, Greenbrier School District Frank Mitchell Intermediate School, Vilonia School District Monticello Middle School, Monticello School District Morrilton Intermediate School, South Conway County School District Premier High School of Little Rock Prescott School District Rogers High School, Rogers School District Spradling Elementary School, Fort Smith School District	Blytheville Primary School, Blytheville School District East Pointe Elementary, Greenwood School District Greer Lingle Middle School, Rogers Public Schools Gurdon School District Hamburg High School, Hamburg School District Howard Perrin Elementary, Benton School District Murrell Taylor Elementary, Jacksonville Pulaski County Special School District Oaklawn Visual and Performing Arts Magnet, Hot Springs School District Quitman School District Rivercrest Elementary School, Rivercrest School District
Cohort 3 School/District List (2019)	Cohort 4 School/District List (2020)
Buffalo Island Central School District Camden Fairview Intermediate School, Camden Fairview School District Darby Junior High School, Fort Smith School District Eureka Springs Elementary School, Eureka Springs School District Harrisburg Middle School, Harrisburg School District Lake Hamilton Intermediate School, Lake Hamilton School District Lakeside High School, Lakeside School District Mabelvale Elementary School, Little Rock School District Mills University Studies High School, Pulaski County Special School District Park Avenue Elementary School, Stuttgart School District Pinewood Elementary School, Jacksonville North Pulaski Special School District Wonderview Elementary School, Wonderview School District	Bayyari Elementary, Springdale Public Schools Camden Fairview High School, Camden Fairview School District Centerpoint School District Clinton School District (Clinton Elementary School and Clinton Junior High School) Crossett High School, Crossett School District Hot Springs Junior Academy, Hot Springs School District Lake Hamilton Junior High School, Lake Hamilton School District Northside High School, Fort Smith School District Rivercrest High School, Rivercrest School District Valley Springs Elementary School, Valley Springs School District Watson Elementary School, Little Rock School District
Cohort 5 School/District List (2021)	Cohort 6 School and District List (2022)
Arkansas High School, Texarkana School District Booker Arts Magnet, Little Rock School District Booker T. Washington Elementary, Little Rock School District Camden Fairview Middle School, Camden Fairview School District Glenview Elementary, North Little Rock School District Hellstern Middle School, Springdale Public Schools Howard Elementary, Fort Smith School District Lake Hamilton Middle School, Lake Hamilton School District Leverett Elementary, Fayetteville Public Schools Magazine School District Meekins Middle School, Stuttgart School District Oaklawn STEM Magnet School, Hot Springs School District Parson Hills Elementary, Springdale Public Schools Searcy County School District University Heights Elementary, Nettleton Public Schools	Berryville School District Cabot Freshman Academy, Cabot School District Carlisle School District Chicot Elementary, Little Rock School District Fairview Elementary, Texarkana School District Greenwood High School and Freshman Center, Greenwood School District Hamburg Middle School, Hamburg School District Hot Springs World Class High School, Hot Springs School District Lakeside Junior High, Springdale School District Marion Visual and Performing Arts Magnet, Marion School District Marked Tree School District Mountainburg Public Schools Oakland Heights Elementary School, Russellville School District Sonora Middle School, Springdale School District Smackover-Norphlet School District

Source: Solution Tree website (unaudited by Arkansas Legislative Audit)

**Solution Tree Contract Billing Summary
For Fiscal Year 2023**

Services	Total Amount Paid	Description of Services
State Project Administration	\$ 1,650,000	Solution Tree's "Project Administration and Evaluation Team" monitors, assesses, and reports on the PLC at Work [®] training and provides periodic feedback to the Arkansas Department of Education (ADE). An assigned Project Lead oversees the School Site Coaches, and a Project Administrator coordinates the internal Solution Tree team with the Project Lead and School Site Coaches.
PLC Overview	120,000	A Year 1 full-day PLC at Work training overview session provides a baseline understanding of key concepts and vocabulary to all staff.
Needs Assessment	248,000	A Year 1 report is designed to provide the school or district with a review consisting of onsite observations and interviews with parents, teachers, and administrators to obtain information and gather input to be used as baseline information.
Progress Report	193,750	Year 2 and 3 reports are designed to provide the school with an updated review consisting of onsite interviews and observations to obtain information and gather input to be used as a benchmark for growth.
Project Planning Part 1	531,950	This session is designed to solidify school goals, benchmarks, and timelines for the project.
Project Planning Part 2	362,250	This session is designed as a midpoint check in to review progress toward school goals and determine next steps.
Leaders Implementation	2,437,900	Two consecutive training days occur three times during the school year, during which school team members learn new skill sets, develop activities, and establish action steps for implementation. Year 1 focuses on laying the foundation, Year 2 on response to intervention, and Year 3 on assessment.
PLC at Work Author Call	44,000	In this Year 3 activity, an author meets with school leadership and the Project Lead to provide information regarding ending the project and sustaining the work in future years.
Sustainability Planning	286,000	Sustainability planning services include a Year 3 session and End of Year Report designed to review progress and determine steps and procedures are needed to ensure long-term implementation of the PLC at Work process.
Virtual Principals Academy	410,000	The Solution Tree Project Lead coaches the principal in a group with the other participating school principals for 10 team calls throughout the school year.
PLC Interactive Web Conferences (IWC)	120,000	In this Year 1 and Year 2 activity, a PLC at Work author meets with school leadership and the Project Lead to review progress and next steps each of the first two years of the project.
Response to Intervention (RTI) IWC	56,000	Year 2 activity where an RTI at Work [™] Author meets with school leadership and the Project Lead to review progress and next steps each of the first year of the project.
PLC Coaching Days	2,489,500	Coaching days are designed to develop the internal capacity for implementing and sustaining a PLC at Work [®] Lead Coach onsite at each school two days per month.
Content Coaching Days	4,421,850	Coaching days are designed to develop internal capacity around best practices in instruction and assessment. Literacy, Match, Assessment, and Singleton Coaches are onsite at each school one day per month.
Celebration Days	1,729,000	This Year 3 activity encapsulates the school's PLC at Work journey and provides an opportunity for the district and school leadership, along with each collaborative team, to reflect on their progress.
Cohort Wide Days	7,500	This Year 3 facilitated networking day for cohort principals is designed to build collaboration across schools and share best practices.
Learning Library	685,270	A professional library is compiled for the school based on need and includes relevant titles from leading educational authors for school teams.
Global PD	157,780	This online tool provides job-embedded professional development by giving teachers access to a library of PLC at Work videos.
Institute Registrations	549,250	These events, lasting two to three days, are designed to explore a variety of content areas with leading experts in high-energy, engaging environments.
Grand Total Paid	\$ 16,500,000	

Source: Arkansas Department of Education (unaudited by Arkansas Legislative Audit)

Schedule 5

**Schools and Districts Accepted in the Professional Learning Community (PLC) Regional Network
Under a Grant Awarded to the Arkansas Association for Education Administrators (AAEA)
For the Period July 1, 2021 through September 30, 2024
By Education Service Cooperative (Coop)**

Arch Ford Coop	Northwest Arkansas Coop
Alma High School	Alpena School District
Berryville School District*	Cedarville Elementary
Clinton High School	Fairview Elementary*
Dwight Elementary	Gentry Primary School
Guy-Perkins Elementary	Jasper Elementary
Guy-Perkins High School	Lincoln Elementary
Indian Hills Elementary	Morrison Elementary
London Elementary	Old Wire Elementary
Westside Elementary	Park Elementary
Westside High School	Siloam Springs Intermediate
	Southside High School
	T.G. Smith Elementary
	Westwood Elementary
Dawson Coop	Wilbur D. Mills Coop
Bismark Middle School	Blytheville Elementary
Crossett Middle School	Blytheville High School
East End Elementary	Blytheville Middle School
East End Intermediate	Brady Elementary
East End Middle School	Cabot Junior High South
Hope High School	Clarendon High School
Kilpatrick Elementary	McCrary High School
Lake Hamilton High School	Stagecoach Elementary
Lake Hamilton Primary	Star City School District
Langston Elementary	Warren Dupree Elementary
Sheridan Elementary	Western Hill Elementary
Sheridan Intermediate	
Sheridan Middle School	

*Moved to PLC cohort project

Source: Arkansas Department of Education (unaudited by Arkansas Legislative Audit)

Schedule 6

**Payments to Solution Tree and Affiliates
By Selected Arkansas School Districts and Education Service Cooperatives
For Fiscal Year 2023**

School District/Education Service Cooperative	Vendor			Total Paid
	Solution Tree	Marzano Resources	Results Coaching Global	
Arch Ford Education Service Cooperative	\$ 25,290	\$ 21,000		\$ 46,290
Bald Knob School District		57,667		57,667
Benton School District	195,775	194		195,970
Bentonville School District	714,898			714,898
Blytheville School District	460,664			460,664
Bryant School District	118,619			118,619
Clarksville School District	110,889			110,889
Dawson Education Service Cooperative	22,854	40,475		63,329
El Dorado School District	1,402,608			1,402,608
Eureka Springs School District		1,358		1,358
Fort Smith School District	645,045	103,675		748,720
Gravette School District	20,625	22,945		43,570
Great Rivers Education Service Cooperative	953,552			953,552
Greenwood School District	15,578	5,988		21,566
Harmony Grove School District	116,170			116,170
Jacksonville North Pulaski School District	596,188			596,188
Lake Hamilton School District	2,001	8,823		10,824
Lee County School District	734,734			734,734
Little Rock School District	1,348,540	126,003	\$ 17,820	1,492,363
Malvern School District	184,743			184,743
Nettleton School District	86,870			86,870
Osceola School District	799,943			799,943
Perryville School District	3,745			3,745
Pine Bluff School District	1,696,343			1,696,343
Quitman School District	18,213	895		19,108
Rivercrest School District	7,223			7,223
Smackover School District	35,098			35,098
Southeast Arkansas Education Service Cooperative	343,737	26,850		370,587
Watson Chapel School District	960,261			960,261
West Memphis School District	164,659			164,659
Totals	\$ 11,784,866	\$ 415,874	\$ 17,820	\$ 12,218,560

Sources: Arkansas Department of Education – Arkansas Public School Computer Network (APSCN) and invoices provided by school districts and education service cooperatives (unaudited by Arkansas Legislative Audit)

**Payments to Solution Tree and Affiliates by 30 Schools Reviewed
By Products and Services
For Fiscal Year 2023**

Products and Services	Vendor			Total Paid
	Solution Tree	Marzano Resources	Results Coaching Global	
Books and Other Instructional Materials	\$ 170,379	\$ 23,670		\$ 194,049
Conference Registration Fees	765,768	11,893		777,661
Professional Development Services				
Paid after services rendered	8,672,036	316,786	\$ 17,820	9,006,642
Deposits paid in advance	1,106,231	63,525		1,169,756
Service dates not detailed on invoices	1,070,452			1,070,452
Totals	\$ 11,784,866	\$ 415,874	\$ 17,820	\$ 12,218,560

Sources: Arkansas Department of Education – Arkansas Public School Computer Network (APSCN) and invoices provided by school districts and education service cooperatives (unaudited by Arkansas Legislative Audit)

Appendix A

Arkansas Department of Education Response



Arkansas Department of Education

Four Capitol Mall • Little Rock, Arkansas • 72201-1030 • (501) 682-4475 • Fax (501) 682-1079

Sarah Huckabee Sanders
Governor

Jacob Oliva
Secretary

November 11, 2024

Kevin White, Legislative Auditor
State Capitol
500 Woodlane Street, Suite 172
Little Rock, AR 72201

RE: Arkansas Department of Education Response to Special Report, Review of Transactions and Services, Solution Tree, Inc., and Affiliates, For the Period July 1, 2017, through January 31, 2024

Mr. Kevin White,

The Arkansas Department of Education (ADE) appreciates the work performed by the Arkansas Legislative Audit (ALA) in generating the named report. The agency has welcomed and supported all related investigations with complete cooperation.

ADE complied with all related laws, policies, contracts, and ethical standards. The agency sought and obtained appropriate approvals, maintained required deadlines, and pursued the most suitable result, at the time, for providing professional development to Arkansas participants.

The agency recognizes ALA's recommendation to avoid paying advance deposits as best practice. The contractual agreement between ADE and Solution Tree, Inc., and its affiliates expired June 30, 2024, and was not renewed. ADE remains diligent in assisting Arkansas' teachers and administrators with professional development grant opportunities.

In conclusion, the ALA Special Report absolves ADE from wrongdoing as it relates to payments made by ADE, schools, education cooperatives, and higher education institutions. The report states that the services, as well as the contracts and payments for services, rendered by ADE complied with Arkansas procurement laws. The report sustains that all related parties functioned in compliance with contract terms and Arkansas procurement laws. And lastly, results conclude that employees of ADE, schools, and coops were not identified for conflicts of interest.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Oliva', written over a light blue circular stamp.

Jacob Oliva
Secretary, Arkansas Department of Education (ADE)
Commissioner, ADE Division of Elementary and Secondary Education

