## Stricken language would be deleted from and underlined language would be added to present law. Act 39 of the 2nd Extraordinary Session

1	State of Arkansas	As Engrossed: S1/6/04	Call	Item 4
2	84th General Assembly	A Bill		
3	Second Extraordinary Session	, 2003	HOUSE BILL	1060
4				
5	By: Representatives Chesterf	ield, Clemons, Dobbins, Elliott, C. Johnson, J. Johns	son, Walters	
6	By: Senators Brown, Steele, V	Wilkins		
7				
8				
9		For An Act To Be Entitled		
10		TO MEET THE MANDATE OF THE ARKANSAS		
11		COURT IN LAKE VIEW SCHOOL DISTRICT NO		
12		ABEE; TO PROVIDE AN ADEQUATE EDUCATION		
13	CHILDREN	WHO ATTEND PUBLIC SCHOOLS IN ARKANSAS	S BY	
14	PROVIDIN	NG HOUSING INCENTIVES FOR ATTRACTING H	IGH-	
15	PERFORMI	ING TEACHERS TO HIGH-PRIORITY SCHOOL		
16	DISTRICT	S; TO CREATE THE TEACHER HOUSING FUND	;	
17	AND FOR	OTHER PURPOSES.		
18				
19		Subtitle		
20	THE A	ARKANSAS TEACHER HOUSING DEVELOPMENT		
21	ACT.			
22				
23				
24	BE IT ENACTED BY THE G	ENERAL ASSEMBLY OF THE STATE OF ARKANS	SAS:	
25				
26	SECTION 1. Arka	nsas Code Title 6 is amended to add an	additional	
27	chapter to read as fol	lows:		
28				
29		CHAPTER 26.		
30	THE AR	KANSAS TEACHER HOUSING DEVELOPMENT ACT	1 . •	
31				
32		SUBCHAPTER 1 - GENERAL PROVISIONS.		
33				
34	6-26-101. Title	<u>•</u>		
35	This chapter sha	ll be known and may be cited as the "A	rkansas Teach	<u>er</u>
36	Housing Development Ac	t".		



1	
2	6-26-102. Definitions.
3	For the purpose of this chapter:
4	(1) "Board" means the board of trustees for the Arkansas Teacher
5	Housing Development Foundation;
6	(2) "Department" means the Department of Education;
7	(3) "Director" means the Director of the Arkansas Teacher
8	Housing Development Foundation;
9	(4)(A) "Eligible home" means the primary residence of a high-
10	performing teacher that is located within thirty (30) miles of a high-
11	priority school district.
12	(B) "Eligible home" shall not include any dwelling with a
13	purchase price of more than one hundred thousand dollars (\$100,000);
14	(5) "Foundation" means the Arkansas Teacher Housing Development
15	Foundation;
16	(6) "High-performing school district" means a school district in
17	the State of Arkansas that has fifty percent (50%) or more of its students
18	performing above proficient on all benchmark examinations;
19	(7) "High-performing teacher" means a certified teacher that
20	meets one (1) of the following criteria:
21	(A)(i) Is currently employed at a high-performing school
22	district as a classroom teacher.
23	(ii) Has three (3) years or more of experience
24	teaching in the subject area that the high-priority school district is
25	seeking;
26	(B)(i) Is not currently employed at a high-performing
27	school district, but in the past has taught at a high-performing school
28	district for a minimum of three (3) years.
29	(ii)(a) Obtains three (3) letters of recommendations
30	from the high-performing school district at which the teacher has taught in
31	the past that verifies the teacher's effectiveness as a classroom teacher.
32	(b) The three letters of recommendation shall
33	be provided by any of the following:
34	(1) A principal who supervised and
35	evaluated the teacher when he or she taught at a school in the high-
36	performing school district;

1	(2) An assistant principal who
2	supervised and evaluated the teacher when he or she taught at a school in the
3	high-performing school district; or
4	(3) A superintendent of the high-
5	performing school district; or
6	(4) Any other school official at the
7	high-performing school district with knowledge of the teacher's performance
8	during employment at the high-performing school district, including anyone
9	with access to the teacher's personnel file or evaluations; and
10	(iii) Explains in a sworn statement as to the
11	reasons why he or she is currently not employed as a classroom teacher in $\underline{a}$
12	high-performing school district; or
13	(C)(i) Is currently employed at a high-priority school
14	district as a classroom teacher;
15	(ii) Has three (3) years or more of experience
16	teaching in the subject area at the high-priority school district;
17	(iii) Has demonstrated the ability to successfully
18	teach children in the high-priority school district;
19	(iv)(a) Obtains three (3) letters of recommendations
20	from the high-priority school district at which the teacher is currently
21	teaching that verifies the teacher's effectiveness as a classroom teacher.
22	(b) The three letters of recommendation shall
23	be provided by any of the following:
24	(1) The classroom teacher's current
25	immediate supervisor;
26 2 <b>7</b>	(2) The current principal at the
27	<pre>classroom teacher's school;</pre>
28	(2) An assistant principal who
29	supervises and evaluates the classroom teacher; or
30	(3) The superintendent of the school
31 32	district where the classroom teacher teaches; or
	(4) Any other school official at the
33 34	high-priority school district where the classroom teacher currently teaches with knowledge of the classroom teacher's performance, including anyone with
35	access to the classroom teacher's personnel file, evaluations, or student
36	
J U	test scores; and

1	(8) "High-priority school district" means a school district that
2	meets the following criteria:
3	(A) Has had difficulty recruiting and retaining high-
4	performing teachers for any grades kindergarten through twelve (K-12);
5	(B) Has a critical shortage of teachers qualified to teach
6	for any grades kindergarten through twelve (K-12); and
7	(C) Has fifty percent (50%) or more of the students in the
8	district performing below proficient on any or all benchmark examinations;
9	<u>and</u>
10	(9) "State Board" means the State Board of Education.
11	
12	6-26-103. Arkansas Teacher Housing Development Foundation.
13	There is established a foundation to be known as the "Arkansas Teacher
14	Housing Development Foundation".
15	
16	6-26-104. Purpose.
17	The purpose of the Arkansas Teacher Housing Development Foundation is
18	to:
19	(1) Develop or to facilitate the development of affordable
20	housing for high-performing teachers in high-priority school districts; and
21	(2) Provide housing incentives to encourage high-performing
22	teachers to move to high-priority school districts.
23	
24	SUBCHAPTER 2 - ARKANSAS TEACHER HOUSING
25	DEVELOPMENT FOUNDATION BOARD OF TRUSTEES.
26	
27	6-26-201. Creation.
28	(a) The Arkansas Teacher Housing Development Foundation shall be
29	operated and controlled by a board of trustees that consists of nine (9)
30	members as follows:
31	(1) Three (3) members appointed by the President Pro Tempore of
32	the Senate as follows:
33	(A) One (1) person selected from a list of no fewer than
34	ten (10) names submitted by the Arkansas Education Association;
35	(B) One (1) person who is selected from a list of no fewer
36	than ten (10) names submitted by the Arkansas State Chamber of Commerce and

1	the Associated Industries of Arkansas;
2	(C) One (1) person who has a minimum of ten (10) years of
3	experience in housing development or fundraising; and
4	(2) Three (3) members appointed by the Speaker of the House of
5	Representatives as follows:
6	(A) One (1) person selected from a list of no fewer than
7	ten (10) names submitted by the Arkansas Education Association;
8	(B) One (1) person who is selected from a list of no fewer
9	than ten (10) names submitted by the Arkansas State Chamber of Commerce and
10	the Associated Industries of Arkansas; and
11	(C) One (1) person who has a minimum of ten (10) years of
12	experience in housing development or fundraising;
13	(3) The president of the Arkansas Chapter of the National
14	Association of Minority Contractors, or his or her designee;
15	(4) The director of the Arkansas Development Finance Authority,
16	or his or her designee; and
17	(5) The executive director of the Arkansas Teacher Retirement
18	System, or his or her designee.
19	(b) The appointed board members shall be residents of the State of
20	Arkansas at the time of appointment and throughout their terms.
21	(c)(1) All appointments shall be made no later than thirty (30) days
22	after the effective date of this chapter.
23	(2) If any entity fails to submit a list within fifteen (15)
24	days from the effective date of this chapter, the appointing official who did
25	not receive a list may make an appointment from the state at large.
26	(d)(l) Except for initial appointments, the appointments to the
27	committee shall be for a term of four (4) years.
28	(2) For initial appointments, the members shall draw lots to
29	determine the length of their terms as follows:
30	(A) Three (3) members shall have terms of two (2) years;
31	(B) Three (3) members shall have terms of three (3) years;
32	<u>and</u>
33	(C) Three (3) members shall have a term of four (4) years.
34	(e)(l) If a vacancy occurs in an appointed position for any reason,
35	the vacancy shall be filled by appointment by the official that made the
36	appointment.

1	(2) The new appointee shall serve for the remainder of the
2	unexpired term.
3	(f) The members shall determine by majority vote who shall serve as
4	chairperson.
5	(g)(1) The foundation shall meet at such times and places that the
6	chairperson deems necessary but no meetings shall be held outside of the
7	State of Arkansas.
8	(2) The chairperson shall call an organizational meeting no
9	fewer than thirty (30) days after all of the members are appointed.
10	(3) Five $(5)$ of the members of the board shall constitute a
11	quorum for the purpose of transacting business.
12	(4) All actions of the board shall be by a quorum.
13	(h)(l) The Department of Education shall provide staff and office
14	space to the foundation.
15	(2) All members of the commission may receive expense
16	reimbursement in accordance with § 25-16-902 to be paid by the department.
17	
18	6-26-202. Duties.
19	(a) The Arkansas Teacher Housing Development Foundation Board of
20	Trustees shall elect annually a chairperson, a secretary, and other officers
21	as the board deems appropriate.
22	(b)(1) The board shall employ a director who is charged with the
23	management and control of the Arkansas Teacher Housing Development
24	Foundation.
25	(2)(A) The director shall have the following qualifications:
26	(i) A bachelor's degree from an accredited four-year
27	university;
28	(ii) At least five (5) years of management
29	experience; and
30	(iii) At least seven (7) years of experience in any
31	of the following areas:
32	(a) Fundraising for nonprofit organizations;
33	(b) Sales or marketing; or
34	(c) Governmental relations.
35	(B) Three (3) of the five (5) years of management
36	experience may be substituted by any of the following:

1	(i) A master's degree in business administration
2	from an accredited university;
3	(ii) A doctor of philosophy degree in education from
4	an accredited university; or
5	(iii) A juris doctorate degree from an accredited
6	<pre>law school.</pre>
7	(c)(1) The board shall meet at least four (4) times a year.
8	(2) The chairperson is authorized to call special meetings of
9	the board as needed upon two (2) days' written notice to the members.
10	(3) Any three (3) board members are authorized to call special
11	meetings of the board upon two (2) days' written notice to the members.
12	(d) The primary objectives of the board shall be as follows:
13	(1) To determine which school districts in the state fall under
14	the definitions in this chapter for the following:
15	(A) High-priority school district; and
16	(B) High-performing school district;
17	(2) To implement housing incentive programs under this chapter;
18	(3) To develop new housing incentive programs for high-priority
19	school districts;
20	(4) To recommend legislation to improve housing incentive
21	programs for high-priority school districts;
22	(5) To obtain private and public sources of funding for housing
23	incentive programs for high-priority school districts; and
24	(6) To make recommendations to the Department of Education and
25	the State Board of Education regarding housing incentive programs for high-
26	priority school districts.
27	(e) The department and the State Board of Education shall provide the
28	information and assistance necessary for the board to perform its duties
29	under this chapter.
30	(f)(1) The board may enter into agreements with other state agencies
31	or entities to develop, fund, implement, or administer the programs in this
32	chapter, including, but not limited to:
33	(A) The Department of Education;
34	(B) The State Board of Education;
35	(C) Arkansas Development Finance Authority; and
36	(D) The Arkansas Teacher Retirement System.

1	(2) The board may contract with private entities to assist with
2	the development, funding, implementation, and administration of the programs
3	in this chapter.
4	(g) The board shall promulgate rules with respect to this chapter and
5	prescribe the forms and procedures for compliance with the rules.
6	(h)(l) The board or its designee may:
7	(A) Accept any gifts, grants, bequests, devises, and
8	donations made to the State of Arkansas for the purpose of funding the
9	Teacher Housing Fund and the programs created under this chapter; and
10	(B) Deposit any gifts, grants, bequests, devises, and
11	donations so received into the fund.
12	(2) The board or its designee shall quarterly certify to the
13	Treasurer of State the amount contributed to the fund through private or
14	public sources.
15	(3) The gifts, grants, bequests, devises, and donations made
16	under this chapter shall be used together with any other funds appropriated
17	or acquired for funding the fund.
18	(i) The director or his designee shall provide an annual report by
19	October 1 of each year to the chair of the Senate Interim Committee on
20	Education and the chair of the House Interim Committee on Education
21	containing the following information:
22	(1) A list of the school districts in high-priority school
23	districts, as determined by the board;
24	(2) A list of the school districts in high-performing school
25	districts, as determined by the board;
26	(3) Current housing incentives that are offered to high-
27	performing teachers who choose to teach in high-priority school districts;
28	(4) The funding available and the sources for funding for
29	housing incentives for high-priority school districts;
30	(5) The number of recipients of housing incentives provided
31	under this chapter; and
32	(6) The list of high-performing teachers who have pending
33	applications for housing benefits under this chapter.
34	
35	SUBCHAPTER 3 - TEACHER HOUSING DEVELOPMENT REQUIREMENTS.
36	

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1	6-26-301. Housing incentives for high-priority school districts.
2	(a) Beginning July 1, 2004, the following housing incentives shall be
3	provided to high-performing teachers who choose to teach in high-priority
4	school districts:
5	(1) A home loan program; and
6	(2) A pilot rental housing program.
7	(b) A high-performing teacher who receives benefits under this chapter
8	shall commit to teach for a minimum of five (5) years in a high-priority
9	school district.
10	
11	6-26-302. Home loan program.
12	(a) The Arkansas Teacher Housing Development Foundation Board of
13	Trustees shall develop, implement, and administer a home loan program to
L4	provide special home loan financing to high-performing teachers who choose to
15	teach in high-priority school districts.
16	(b)(1) To the extent allowed by the available loan programs or
17	funding, the following financing options shall be included in the home loan
18	program:
19	(A) A conventional mortgage available for the purchase of
20	an eligible home, at an interest rate not to exceed six percent (6%) for a
21	thirty-year loan;
22	(B) A second mortgage, not to exceed twenty percent (20%)
23	of the total cost of an eligible home and at an interest rate not to exceed
24	four percent (4%); and
25	(C)(i) A forgivable loan equal to not more than ten
26	percent (10%) of the total cost of an eligible home, which is intended as
27	assistance with the down payment.
28	(ii) The forgivable loan shall be interest-free if
29	the high-performing teacher fulfills his or her obligation with the high-
30	priority school district.
31	(iii) The high-performing teacher shall receive one-
32	fifth (1/5) credit on the forgivable loan for each year that he or she
33	teaches in the high-priority school district.
34	(2)(A) The Director of the Arkansas Teacher Housing Development
35	Foundation shall provide a report to the House Interim Committee on Education
36	and the Senate Interim Committee on Education as to whether the loan program

1	as provided in this section has been and is being provided to high-performing
2	teachers or the loan program has been modified due to the available loan
3	programs or funding during any calendar year.
4	(B)(i) The report shall include the following:
5	(a) Data on the terms of each loan provided
6	under this section; and
7	(b) Any other data that is necessary for the
8	House Interim Committee on Education and the Senate Interim Committee on
9	Education to assess the effectiveness of the loan program.
10	(ii) The report shall clearly indicate which loans
11	provided under this section meet the requirements of this section and which
12	loans have been modified due to the available loan programs or funding.
13	(c)(1) A high-performing teacher who chooses to teach in a high-
14	priority school district has the option of using all or part of the financing
15	options available under this section.
16	(2) A high-performing teacher who chooses to teach in a high-
17	priority school district may exercise the right to the financing options
18	available under this section for a maximum of five (5) years after choosing
19	to teach in a high-priority school district.
20	(d)(1) If the high-performing teacher stops teaching in the high-
21	priority school district for any reason within five (5) years after
22	exercising an option for a conventional mortgage or second mortgage under
23	this section, then the remaining balance on the conventional mortgage or
24	second mortgage shall become due and payable within three (3) months of the
25	termination of the high-performing teacher's service to the high-priority
26	school district.
27	(2)(A) If the high-performing teacher stops teaching in the
28	high-priority school district for any reason within five (5) years after
29	exercising an option for a forgivable loan under this section, then the
30	remaining balance on the forgivable loan shall become due and payable within
31	three (3) months of the termination of the high-performing teacher's service
32	to the high-priority school district.
33	(B) The board may develop a supplemental loan program that
34	converts the forgivable loan into a conventional loan for high-performing
35	teachers who do not fulfill their obligation.
36	

1	6-26-303. Pilot rental housing program.
2	(a) A pilot rental housing program shall be developed, implemented,
3	and administered by the Arkansas Teacher Housing Development Foundation Board
4	of Trustees in four (4) high-priority school districts in the state, one (1)
5	in each congressional district of the state.
6	(b)(1) The rental housing units shall be provided to high-performing
7	teachers who choose to teach in high-priority school districts.
8	(2) Only upon the approval of the board of trustees and only if
9	the housing is not able to be used by high-performing teachers in a high-
10	priority school district, the developer may lease to the following persons in
11	order of preference:
12	(A) Other certified staff of the high-priority school
13	district;
14	(B) Other non-certified staff of the high-priority school
15	district; or
16	(C) Any other person with a gross income of thirty-five
17	thousand (\$35,000) or less.
18	(3)(A) The Director of the Arkansas Teacher Housing Development
19	Foundation shall provide a report to the House Interim Committee on Education
20	and the Senate Interim Committee on Education as to whether the pilot rental
21	housing program as provided in this section has been and is being provided to
22	high-performing teachers or the pilot rental housing program has been
23	modified due to the available loan programs or funding during any calendar
24	year.
25	(B)(i) The report shall include the following:
26	(a) Data on the terms of each pilot rental
27	housing program developed under this subchapter; and
28	(b) Any other data that is necessary for the
29	House Interim Committee on Education and the Senate Interim Committee on
30	Education to assess the effectiveness of the pilot rental housing program.
31	(ii) The report shall clearly indicate whether the
32	pilot rental housing that has been developed meets the requirements of this
33	subchapter and provide details on any modification of the pilot rental
34	housing due to the available loan programs or funding.
35	(c) The reduced rate shall be at least fifty percent (50%) less than
36	the fair rental value of the rental housing unit.

1	(d) To the extent allowed by the available loan programs or funding,
2	the rental housing units offered shall include two (2) of the following
3	sizes, to be determined based on the expected demand by high-performing
4	teachers who will likely be attracted to the high-priority school district:
5	(1) A two-bedroom unit with one (1) bathroom and a minimum of
6	eight hundred square feet (800 sq. ft.);
7	(2) A three-bedroom unit with two (2) bathrooms and a minimum of
8	twelve hundred square feet (1200 sq. ft.); or
9	(3) A four-bedroom unit with two and one half (2 1/2) bathrooms
10	and a minimum of fifteen hundred square feet (1500 sq. ft.).
11	(e) To the extent allowed by the available loan programs or funding,
12	the rental housing offered shall meet the following requirements:
13	(1) Include all of the following new or late model, fully-
14	functioning appliances:
15	(A) Refrigerator with ice maker;
16	(B) Stove and oven;
17	(C) Microwave oven;
18	(D) Dishwasher;
19	(E) Full-sized washer and dryer; and
20	(F) Central heat and air conditioning;
21	(2) Be constructed to meet or exceed the local building and fire
22	codes;
23	(3) Be constructed to be energy efficient; and
24	(4)(A) If the pilot rental housing program is only serving one
25	(1) school district, then be located no farther than three (3) miles beyond
26	the high-priority school district boundaries at which the high-performing
27	teachers are being hired; or
28	(B) If the pilot rental housing program is serving two (2)
29	or more school districts, then be located no farther than twenty (20) miles
30	from any of the school districts using the housing;
31	(f)(l) Temporary rental housing may be provided to high-performing
32	teachers during the time that new rental housing units are being constructed
33	or existing rental housing units are being remodeled.
34	(2) Temporary rental housing does not have to meet the
35	requirements of this section.
36	(3) If the high-performing teacher is required to remain in

1	temporary rental nousing for more than one (1) year, the high-performing
2	teacher can choose any of the following to compensate him or her for the
3	lesser rental housing units provided:
4	(A) A cash supplement of not less than twelve hundred
5	dollars (\$1,200) per year that the teacher is required to live in the
6	temporary rental housing and not more than the difference between the fair
7	rental value of the rental housing unit that is required under this section
8	and the temporary rental housing unit that is provided; or
9	(B) An additional interest-free, forgivable loan for the
10	purchase of a home under § 6-26-302 for not more than two thousand five
11	hundred dollars (\$2,500) to be forgiven after the fulfillment of one (1) year
12	of service from the date that the loan is disbursed.
13	
14	6-26-304. Development of the pilot rental housing program.
15	(a) The Arkansas Teacher Housing Development Foundation or its
16	designee shall receive proposals from developers for the construction of the
17	rental housing units.
18	(b)(1) The Director of the Arkansas Teacher Housing Development
19	Foundation shall recommend to the Arkansas Teacher Housing Development
20	Foundation Board of Trustees which developer shall construct the rental
21	housing units in each congressional district.
22	(2) The board shall either approve or reject the director's
23	recommendations for the developer of the rental housing units.
24	(3) If the board rejects any of the director's recommendations,
25	then the director shall recommend another developer that submitted a
26	proposal.
27	(4) This process shall continue until a developer is approved by
28	the board for each of the four (4) congressional districts.
29	(c) A preference shall be given to proposals submitted by developers
30	located in the congressional district of the high-priority school district,
31	but this preference shall not be the single determining factor.
32	(d) The Arkansas Teacher Housing Development Foundation or its
33	designee shall provide low-interest loans to the selected developers in the
34	amount necessary to construct rental housing units to meet the housing needs
35	for the expected number of high-priority teachers attracted to the area that
36	will choose rental housing units.

1	(e)(1) Upon completion of the construction of the rental housing
2	units, the developer shall operate the rental housing units until the loan is
3	repaid.
4	(2) The developer and the foundation shall agree on the amount
5	necessary to compensate the developer for the fair rental value of the rental
6	housing units, considering the amount of rent the teacher is paying.
7	
8	6-26-305. Teacher Housing Fund.
9	(a) All monies received by the Arkansas Teacher Housing Development
10	Foundation shall be deposited into one (1) or more accounts at a financial
11	institution located in the State of Arkansas and shall be known as the
12	"Teacher Housing Fund".
13	(b) The fund shall be treated as a cash fund under § 19-4-801 et seq.
14	(c) The monies in the fund are declared to be revenues of the state
15	and shall be expended only by the Arkansas Teacher Housing Development
16	Foundation and only for the purposes stated in the Arkansas Teacher Housing
17	Development Act, § 6-26-101 et seq.
18	(d) The Arkansas Teacher Housing Development Foundation shall
19	promulgate all rules necessary for implementing the program under this
20	chapter and administering the fund.
21	
22	SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
23	General Assembly of the State of Arkansas that the Arkansas Supreme Court has
24	ruled that the current system of education in Arkansas is inadequate and
25	inequitable and has instructed the General Assembly to define what is
26	necessary to provide an adequate and equitable education for the children of
27	Arkansas which shall include as a basic component additional support for
28	teacher recruitment in what has historically been called "low-performing
29	school districts"; that the term "low-performing school districts" is very
30	negative and the terminology must be immediately changed to "high-priority
31	school districts" to focus on the state's priority to give these school
32	districts, their students, and their teachers more assistance with education;
33	that high-priority school districts need housing incentives to attract high-
34	performing teachers; that this act is necessary to attract high-performing
35	teachers to high-priority school districts to effectuate the Arkansas Supreme
36	Court's order that requires the state to provide an equal opportunity for an

1	adequate education to every public school child. Therefore, an emergency is
2	declared to exist and this act being immediately necessary for the
3	preservation of the public peace, health, and safety shall become effective
4	<u>on:</u>
5	(1) The date of its approval by the Governor;
6	(2) If the bill is neither approved nor vetoed by the Governor,
7	the expiration of the period of time during which the Governor may veto the
8	bill; or
9	(3) If the bill is vetoed by the Governor and the veto is
10	overridden, the date the last house overrides the veto.
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12	/s/ Chesterfield
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15	APPROVED: 1/15/2004
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