

ARKANSAS SENATE
84th General Assembly - Second Extraordinary Session, 2003
Amendment Form

Subtitle of Senate Bill No. 42
"THE PUBLIC SCHOOL FUNDING ACT OF 2003."

Amendment No. 1 to Senate Bill No. 42.

Amend Senate Bill No. 42 as originally introduced:

Page 5, delete lines 12 and 13 and substitute the following:
"October 1 of each year and submitted to the department;"

AND

Page 6, delete line 10 and substitute the following:
"average daily membership for the previous school year, excluding any increase resulting solely from consolidation or annexation with another school district;"

AND

Page 6, delete lines 34 and 35 and substitute the following:
"is equal to five thousand four hundred dollars (\$5,400) times the average daily membership of the previous school year."

AND

Page 7, delete lines 4 and 5 and substitute the following:
"environment funding shall be three thousand two hundred fifty dollars (\$3,250) for each identified alternative learning environment student."

AND

Page 7, delete line 10 and substitute the following:
"learners funding shall be one hundred ninety-five dollars (\$195) for each"

AND

Page 7, delete lines 22 through 31 and substitute the following:
"(i) For school districts in which ninety percent (90%) or greater of the enrolled students are national school lunch students, funding shall be one thousand four hundred forty dollars (\$1,440);"



(ii) For school districts in which at least seventy percent (70%) but less than ninety percent (90%) of the enrolled students are national school lunch students, funding shall be nine hundred sixty dollars (\$960); and

(iii) For school districts in which less than seventy percent (70%) of the enrolled students are national school lunch students, funding shall be four hundred eighty dollars (\$480)."

AND

Page 7, delete line 35 and substitute the following:

"school computer network cycle two report.

(C)(i) By June 1, 2004, the State Board of Education shall establish by rule a list of approved programs and purposes for which funds allocated under this subdivision (b)(4) may be expended. School districts shall expend funds allocated under this subdivision (b)(4) only on the approved programs or purposes which include, but are not limited to:

(a) Classroom teachers;

(b) Before and after-school academic programs, including transportation to and from the programs;

(c) Pre-kindergarten programs coordinated by the Department of Human Services;

(d) Tutors, teacher's aides, counselors, social workers, and nurses;

(e) Parent education; and

(f) Summer programs.

(ii) However, notwithstanding any other provision of law, if the Department of Education determines that a school district's expenditure of funds allocated under this subdivision (b)(4) would result in the school district losing funding under any federal law, then the funds allocated to a school district under this subdivision (b)(4) may be expended for other academic programs or salaries.

(D) By the end of each school year, each school district shall submit to the department a report listing each program upon which funds allocated under this subdivision (b)(4) were expended, the amount expended, and any other information required by the department. The department shall develop appropriate reporting forms for use by school districts."

AND

Page 8, on line 2, delete "prior" and substitute "previous"

AND

Page 8, delete lines 7 through 16

AND

Page 8, on line 20, delete "from available funds"

AND

Page 8, on line 21 delete "law and rules" and substitute "law or rules"

AND

Page 8, delete line 30 and substitute the following:
"state aid allocated and funded to school districts pursuant to this section."

AND

Page 8, delete lines 31 through 33 and substitute the following:
"(e) Funds distributed to school districts under subsection (b) of this section shall be expended on:

(1) The students within each category of special needs for which the funds were allocated;

(2) Any students within any category of special needs under subsection (b) of this section as permitted by rules issued by the State Board of Education; or

(3) If the Department of Education determines that a school district's expenditure of funds allocated under subsection (b) of this section would result in the school district losing funding under any federal law, then the funds allocated to a school district under subsection (b) of this section may be expended for other academic programs or salaries as permitted by the department."

AND

Page 9, delete lines 23 through 26 and substitute the following:
"(2)(A) Expend the sums allocated to the school district under § 6-20-2005(b) for salaries and other instructional aid components to benefit students in the special needs categories within the school district unless other expenditures are allowed by law or rule of the State Board of Education or Department of Education."

AND

Page 10, delete lines 14 through 36

AND

Page 11, delete lines 1 and 2 and substitute the following:
"6-20-2008. School district budget and expenditure report.
(a)(1) The board of directors of each school district shall annually prepare a budget of expenditures and receipts that shall be filed with the Department of Education by August 15 of each year pursuant to the provisions of this subchapter.
(2) Each budget shall be approved by the school district board of directors at a legally held meeting and shall be signed by the president of the board and the ex officio financial secretary of the school district. The budget shall contain the information and be prepared in an electronic format prescribed by rules of the State Board of Education governing financial accounting for Arkansas school districts.

(3) A school district that utilizes an electronic format shall file the budget with the department no later than August 15 of each year.

(b)(1)(A) Warrants or checks of the school district issued after the date required by subsection (a) of this section shall be invalid unless a budget has been filed as required by this subchapter and in compliance with appropriate rules.

(B) The ex officio financial secretary of the school district and his surety shall be liable for any warrants or checks countersigned after the date required by subsection (a) of this section if a budget has not been filed.

(2) Distribution of all grants and aids from the state for which the school district may be eligible shall be suspended until the requirements of this subchapter are met.

(c)(1) School district budgets filed pursuant to this section shall be reviewed by the auditors of the financial accountability office of the department to determine if the requirements of state law and the rules of the state board regarding the use of school funds and expenditure requirements are being met.

(2) Upon approval by the auditors, copies of the approved budget shall be filed with the school district, the county treasurer if serving as school treasurer, and the department.

(d)(1) The ex officio financial secretary of each school district shall keep a record of the daily expenditures and receipts of the school district in the manner and on the forms as may be specified by rules of the state board and the School Audit Section of the Division of Legislative Audit. An annual record shall be filed by August 15 of each year with the department.

(2) If the auditors of the financial accountability office of the department or the School Audit Section of the Division of Legislative Audit determine that the financial records of any school district are not properly maintained or that the financial affairs of the school district are not administered in accordance with state law or state board rules, grants and aids from the state to which the school district may be entitled shall be withheld until it is determined that the fiscal records of the school district are in order or that the financial affairs are being properly administered as established by statute or by rule promulgated by the board, provided that the department has met all deadlines for providing information to school districts.

(e)(1) The department may withhold state aid from any school district that fails to file its budget or any other required report with the department by the deadline established by statute or by rule promulgated by the state board, provided that the department has met all deadlines for providing pertinent information to school districts.

(2) The department shall submit a list of all required financial accountability reports along with due dates to each school district by July 1 of each year.

(f) The state board shall promulgate the necessary rules to fully implement the provisions of this section.

(g) The Treasurer of State shall withhold the monthly distribution of county aid provided under § 19-5-602(b) from any county that fails to provide in a timely manner information to the department concerning the annual abstract of assessment for each school district located wholly or in part in

the county.

6-20-2009. Uniform budget and accounting system required.

(a) The State Board of Education shall adopt by rule a uniform budget and accounting system as presented in the Handbook IIR2 or future revisions as published by the U.S. Department of Education, Office of Educational Research and Improvements, for school districts, education service cooperatives, and open enrollment charter schools. The rules shall be developed by the Department of Education in cooperation with representatives from the Arkansas Association of School Administrators, the Arkansas Association of School Business Officials, and the Legislative Joint Auditing Committee.

(b) The definitions contained in the Federal Handbook IIR2 shall be used for school districts in Arkansas and shall be used to allow for valid comparisons of expenditures among schools and among school districts.

(c) In addition the State Board of Education shall adopt by rule "Arkansas Revisions" to the Federal Handbook IIR2. The rules shall be developed by the Department of Education in cooperation with representatives from the Arkansas Association of School Administrators, the Arkansas Association of School Business Officials, and the Legislative Joint Auditing Committee. Arkansas Revisions shall include, but not be limited to:

(1) Categories to allow for the gathering of data on separate functions and programs;

(2) Categories and descriptions of expenditures that each school or school district shall report on its annual school performance report authorized by the School Performance Report Act, § 6-5-1401 et seq. The reported expenditures shall include, but not be limited to, the following categories:

(A) Total expenditures;

(B) Instructional expenditures;

(C) Administrative expenditures;

(D) Extracurricular expenditures;

(E) Capital expenditures; and

(F) Debt service expenditures; and

(3) Categories and descriptions of school and school district expenditures that allow for the gathering of data on separate functions and programs as described in the Education Funding Reform Act of 2003, § 6-20-2001 et seq.

(d) The Department of Education shall have the authority to analyze and inspect the financial records of any school or school district in order to verify that a school or school district is correctly and accurately reporting expenditures.

(e) By November 1 of each year, the Department of Education shall submit a summary report to the State Board of Education, the Governor, and the Senate and House Interim Committees on Education concerning public school and public school district expenditures as described in the Education Funding Reform Act of 2003, § 6-20-2001 et seq.

(f) All rules, regulations, and revisions adopted under this subchapter shall be adopted and published prior to the start of any school year for which they are applicable and shall allow for an implementation schedule consistent with the method outlined in § 6-20-2012.

6-20-2010. Required training.

(a)(1) Any person whose job responsibility includes preparing the budget or recording expenditures of a school or school district shall obtain training and instruction necessary to demonstrate basic proficiency, as determined by the Arkansas Public School Computer Network Division of the Department of Education, in areas including, but not limited to:

(A) School laws of Arkansas;

(B) Laws and rules governing the expenditure of public education funds, fiscal accountability, and school finance; and

(C) Ethics.

(2) Each year thereafter, any person whose job responsibility includes preparing the budget or recording expenditures of a school or school district shall obtain by December 31 of each calendar year, additional hours of training and instruction in, including but not limited to, the topics described in subdivision (a)(1) of this section. Hours of training and instruction obtained in excess of the minimum requirements may cumulate and be carried over from year to year.

(3)(A) The instruction shall be received from the Arkansas Public School Network Division of the Department of Education, which may approve other providers.

(B) Any instruction provider other than the department shall request pre-approval as to form and content from the department.

(4)(A) If a person fails to obtain the required training by the end of the calendar year and fails to cure the deficiency by March 1 of the following calendar year without filing a request for extension of time, as determined from the records of the department, the department shall immediately notify the superintendent of the employing school district by certified mail, return receipt requested, with a copy of the notice provided to the board president.

(B) The superintendent shall notify the person by certified mail, return receipt requested, and the person shall be unable to continue in his or her position from the date of receipt of notification by the superintendent.

(5) If the person fails to obtain all required training by the end of the calendar year, this failure shall constitute one (1) citation against the school district as measured by the Standards for Accreditation of Arkansas Public Schools issued by the department.

(6) If the person is unable to obtain the required training because of military service or illness as verified by a written sworn statement of the person's attending physician, the department shall grant an extension permitting the person additional time to obtain the required training. The issuance of an extension shall not constitute a citation against the school district as measured by the Standards for Accreditation of Arkansas Public Schools issued by the department and shall not operate to remove the person from his or her job.

(b)(1) A school district board of directors is authorized to pay per diem and reimburse the expenses of a person required to obtain training under this section.

(2) The expenses must be incurred in attending in-service workshops, conferences, and other courses of training and instruction necessary for completing the hours of instruction required under this section.

(3) Payments may be made from funds belonging to the school district.

(c) The State Board of Education shall modify the Standards for Accreditation of Arkansas Public Schools issued by the department as may be required by this section.

(d) It is the responsibility of the department to receive and maintain records of instructional hours obtained by any individual covered under this section.

(e) The state board is authorized to promulgate rules and regulations consistent with the provisions of this section.

6-20-2011. Penalties.

Any school district that does not follow the provisions of this subchapter shall be placed in fiscal distress as provided by law.

6-20-2012. Rule-making authority.

(a)(1) Before the 2004-2005 school year, the State Board of Education shall promulgate rules governing and providing compliance with an established uniform chart of accounts for budgeting of school and school district revenues and expenditures and financial reporting in order for school districts to comply with § 6-22-2008.

(2) These rules shall be applied to all school districts on a pilot basis for the 2004-2005 school year.

(b) For the 2005-2006 school year and subsequent school years, the Department of Education shall amend, prior to the beginning of any fiscal year, as necessary the rules provided for in subsection (a) of this section in order for school districts to comply with this subchapter.

(c) Any school district that fails to comply with state law or rules governing and providing a uniform chart of accounts for budgeting of revenues and expenditures and financial reporting shall be deemed to be in fiscal distress and subject to the applicable enforcement provisions as provided by law.

(d) Any school district that fails to comply with the expenditure requirements of § 6-20-2005 shall be deemed to be in fiscal distress and subject to the applicable enforcement provisions as provided by law."

AND

Page 11, on line 4, delete "6-20-2009" and substitute "6-20-2013"

AND

Page 11, on line 8 delete "§ 6-17-2301" and substitute "§ 6-17-2401"

AND

Page 11, on line 10, delete "6-20-2010" and substitute "6-20-2014"

AND

Page 11, on line 24 delete "Education" and substitute "Education shall"

AND

Page 11, delete lines 30 and 31 and substitute the following:

"This subchapter shall be known and may be cited as the "Teacher Compensation Program of 2003"."

AND

Page 11, delete lines 33 through 36

AND

Page 12, delete lines 1 through 19 and substitute the following:

"6-17-2402. Definitions."

AND

Page 12, delete lines 25 through 28

AND

Page 12, on line 29, delete "(4)" and substitute "(2)"

AND

Page 12, on line 29, delete "full-time"

AND

Page 12, delete line 33 and substitute the following:

"state and who is teaching full time or part time."

AND

Page 12, on line 35, delete "6-17-2404" and substitute "6-17-2403"

AND

Page 13, on line 5, delete "fifteen (15)" and substitute "twenty (20)"

AND

Page 14, delete lines 1 through 36

AND

Page 15, delete lines 1 through 36

AND

Page 16, delete lines 1 through 36

AND

page 17, delete lines 1 through 21 and substitute:

"6-17-2404. Knowledge and skills-based pay.

(a) The Department of Education shall prepare a study on a knowledge and skills-based teacher pay system and shall submit the study and recommendations to the Governor and the House and Senate Committees on Education not later than January 1, 2005.

(b) The study shall include, but not be limited to, a salary schedule, transition provisions, proposed amendments to existing law, and other provisions necessary to implement the system."

AND

Page 17, on line 23 delete "6-17-2410" and substitute "6-17-2405"

AND

Page 17, delete lines 33 through 35 and substitute the following:

"the amount that a public school would receive under § 6-20-2005(a) and (b) as well as any other funding that a charter school is entitled to receive under law or pursuant to rules promulgated by the State Board of Education the minimum state and local revenue per average daily"

AND

Page 32, delete line 33 and substitute the following:

"ensure that the provisions of this subchapter are properly enforced.

SECTION 5. Arkansas Code §§ 6-17-1001 through 6-17-1004 are repealed. 6-17-1001. Minimum base salary — Master's degree.

(a)(1) The board of directors in each school district in the state shall pay its teachers upon a salary schedule which has annual increments for education and experience and which provides for a base salary, a minimum salary for a teacher with a master's degree, and at least fifteen (15) years of experience as described in this section.

(2) Beginning with the 2003-2004 school year, the teacher's experience for purposes of salary and benefits shall be his or her total years in any school district in the state and shall not be based on only the years in the district in which he or she is currently employed.

(b) In school year 2000-2001 and in each school year thereafter, no school district shall pay its teachers with a bachelor's degree and no experience less than twenty one thousand eight hundred sixty dollars (\$21,860).

(c) In school year 2000-2001 and in each school year thereafter, school districts shall pay teachers with a master's degree and no experience at least one hundred fifteen percent (115%) of the minimum base salary prescribed in subsection (b) of this section.

(d) In school year 2001-2002 and in each school year thereafter, school districts shall pay a teacher with a master's degree and at least fifteen (15) years of experience one hundred fifty percent (150%) of the state minimum base salary.

~~(e)(1) In school year 1995-1996 and in each school year thereafter, each school district in the state shall have in place a salary schedule which provides at least fourteen (14) annual increments for experience.~~

~~(2) In school year 2001-2002 and in each school year thereafter, each school district in the state shall have in place a salary schedule which provides at least fifteen (15) annual increments for experience.~~

~~(3) In school year 2001-2002 and in each school year thereafter, each school district in the state shall have in place a salary schedule with at least the following minimum levels of compensation:~~

Years Experience	BA Degree Salary	MA Degree Salary
0	\$21,860	\$25,139
1	22,304	25,649
2	22,748	26,159
3	23,192	26,669
4	23,636	27,179
5	24,080	27,689
6	24,524	28,199
7	24,968	28,709
8	25,412	29,219
9	25,856	29,729
10	26,300	30,239
11	26,744	30,749
12	27,188	31,259
13	27,632	31,769
14	28,076	32,279
15 or more	28,520	32,789

~~(f) For the 1997-98 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with one (1) and two (2) years of experience.~~

~~(g) For the 1998-1999 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with three (3) and four (4) years of experience.~~

~~(h) For the 1999-2000 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with five (5) and six (6) years of experience.~~

~~(i) For the 2000-2001 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with seven (7) and eight (8) years of experience.~~

~~(j) For the 2001-2002 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with nine (9) and ten (10) years of experience.~~

~~(k) For the 2002-2003 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with eleven (11) and twelve (12) years of experience.~~

~~(1)(1) For the 2003-2004 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with thirteen (13) years of experience.~~

~~(2) For the 2004-2005 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with fourteen (14) years of experience.~~

~~(3) For the 2005-2006 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with fifteen (15) years of experience.~~

~~(m) Subsections (f) (1) of this section shall not apply to any local school district whose minimum salary for teachers exceeds twenty one thousand eight hundred sixty dollars (\$21,860) and whose average salary exceeds the state average salary for teachers for the previous year.~~

~~(n) As used in this section, "teacher" shall include any full time employee of a local public school district:~~

~~(1) Who is compelled by law to secure a license from the State Board of Education as a condition precedent to employment in a position in or related to grades prekindergarten through twelve (preK-12) of the public schools of this state; and~~

~~(2) Who is:~~

~~(A) Engaged directly in instruction with students in a classroom setting for more than seventy percent (70%) of the individual's contracted time;~~

~~(B) A guidance counselor; or~~

~~(C) A librarian.~~

~~(o) All minimum salaries set forth in this section shall be for a contract number of days that is not more than the number of days in the school year required by the State Board of Education's regulations for accreditation for the school year in which the contract is effective.~~

~~(p)(1) A district that determines that it cannot meet the minimum salary requirements of this section from funds available may petition the Department of Education for a waiver of the requirements of this section for up to three (3) school years based on regulations promulgated by the State Board of Education.~~

~~(2) The department shall not grant a waiver to any district that is not in compliance with the uniform rate of tax requirements under Arkansas Constitution, Amendment 74.~~

~~6-17-1002. Salary amount — Annual review.~~

~~(a) The salaries fixed herein shall be regarded as minimum salaries only, and each district may supplement such salaries. No teacher shall~~

~~receive a reduced salary as a result of this subchapter's requirements.~~

~~(b) Base salary shall not be raised until all teachers within a district are paid equal to or greater than the minimum requirements established herein. Each school district shall develop its own salary schedule with salaries equal to or greater than the required minimums set forth herein.~~

~~(c) The Arkansas Teachers' Salaries Study Commission shall annually review the minimum base salary and make recommendations to the Department of Education, the Governor, and the General Assembly for such modifications as the commission shall deem appropriate.~~

~~6-17-1003. Enforcement — Appeal — Rules and regulations.~~

~~(a) The State Board of Education is empowered to enforce the provisions of this subchapter and is specifically authorized to order the dissolution and merger of any school district which fails to comply with the minimum salary requirements established by this subchapter. Any appeal from a decision of the board ordering the dissolution and merger of a school district for failure to comply with the provisions of this subchapter shall be filed in the Circuit Court of Pulaski County and must be filed within thirty (30) days of the decision of the board.~~

~~(b) The board shall issue rules and regulations to implement this subchapter.~~

~~6-17-1004. Salary goals.~~

~~(a) The personnel policies committees and negotiating teams established and maintained in Arkansas public schools are encouraged to set and meet five year goals to substantially increase teacher salaries. In setting realistic yet meaningful salary goals, the committees and teams shall consider exceeding the state, regional Southern Regional Education Board states, border states, or national average salaries for teachers.~~

~~(b) Within two (2), four (4), and five (5) years following the adoption of this section, school districts shall report to the Arkansas Teachers' Salaries Study Commission and the Department of Education the goals developed, adopted, and met."~~

AND

Renumber the remaining section.

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator Bisbee

BBC/VFF - 12-31-2003 09:29

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Secretary