

**Hall of the House of Representatives**  
88th General Assembly - Regular Session, 2011  
**Amendment Form**

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**Subtitle of House Bill No. 1910**

TO AMEND THE REQUIREMENTS RELATED TO PUBLIC SCHOOL CATEGORICAL  
FUNDING.

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**Amendment No. 1 to House Bill No. 1910**

Amend House Bill No. 1910 as originally introduced:

Delete everything after the enacting clause and substitute the following:

SECTION 1. Arkansas Code § 6-20-2305 (b)(4)(C)(i)(b), concerning national school lunch state categorical funding, is amended to add additional subdivisions to read as follows:

(9) Federal child nutrition programs, to the extent necessary to provide school meals without charge to all students under the United States Department of Agriculture Special Assistance Alternative "Provision 2" program under 42 U.S.C. § 1759a, as it exists on July 1, 2011;

(10) Federal child nutrition programs, to the extent necessary to provide school meals without charge to students otherwise eligible for reduced-price meals under the United States Department of Agriculture's National School Lunch Program or School Breakfast Program;

(11) Expenses directly related to funding a longer school day;

(12) Expenses directly related to funding a longer school year;

(13) Partnering with local institutions of higher education to remediate students while those students are still in high school so that the students are college and career ready upon graduation from high school;

(14) Teach For America professional development;

(15) Implementing components of the Arkansas Advanced Initiative for Math and Science; and

(16) College and Career Coaches, as administered by the Department of Career Education.

SECTION 2. Arkansas Code § 6-20-2305(b)(4)(C)(ix)(b)(1), concerning national school lunch state categorical funding, is amended to read as follows:



(1) A school district shall reduce each current school year by twenty percent (20%) the amount of national school lunch student categorical funds received and used in the prior school year by the school district as a supplement to classroom teacher salaries and shall continue this reduction in the application of national school lunch student categorical funds as a supplement to classroom teacher salaries until the school district has no more than twenty percent (20%) of the total of any current year of all national school lunch student categorical funds received by a school district applied and used as a supplement to classroom teacher salaries for a current school year;

SECTION 3. Arkansas Code § 6-20-2305(b)(4), concerning national school lunch state categorical funding, is amended to add an additional subdivision to read as follows:

(F)(i) By June 30, 2012, and by June 30 of each year thereafter, a school district shall spend a minimum of eighty-five percent (85%) of the school district's annual national school lunch state categorical funding allocation as provided under subdivision (b)(4)(C) of this section.

(ii) A school district that on June 30, 2012, has a national school lunch state categorical funding balance in excess of fifteen percent (15%) of the school district's current year annual national school lunch state categorical funding allocation shall reduce its total national school lunch state categorical funding balance by at least ten percent (10%) each year so that by June 30, 2022, and by June 30 of each year thereafter, the school district has a balance of no more than fifteen percent (15%) of the school district's current year annual national school lunch state categorical funding allocation.

(iii)(a) Under an unusual and limited circumstance, including without limitation an increase in one-time funds or an unexpected decrease in school district revenues during a given year, a school district may request that the Department of Education waive the requirements of this subdivision (b)(4)(F).

(b) A school district seeking a waiver shall file a waiver request with the Commissioner of Education, accompanied by a resolution adopted by the school district's board of directors, describing the unusual and limited circumstances.

(iv) The commissioner may grant a waiver request under this subdivision (b)(4)(F) for up to one (1) year if the commissioner finds that the request is necessary based upon the unusual and limited circumstances.

(v)(a) The department shall monitor on a yearly basis each school district's compliance with the requirements of this subdivision (b)(4)(F).

(b) If a school district fails to comply with the requirements of this subdivision (b)(4)(F) during a school year, the department may in the following school year withhold from that school district's national school lunch state categorical funding allocation an amount equal to the amount required to be spent by the school district in order to be in compliance with the requirements of this subdivision (b)(4)(F).

(c) The department may redistribute amounts withheld under this subdivision (b)(4)(F) to other school districts entitled to receive national school lunch state categorical funding allocations.

SECTION 4. Arkansas Code § 6-20-2305(e), concerning state categorical funding for public schools, is amended to read as follows:

(e)(1) Funds distributed to school districts under subsection (b) of this section shall be expended on:

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

~~(2)(B)~~ 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)(C)~~ 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's 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 of Education.

(2) On June 30, 2012, and on June 30 of each school year thereafter, if the total aggregate balance of all state categorical fund sources exceeds twenty percent (20%) of the school district's total aggregate annual state categorical fund allocations for the current school year, the school district shall reduce the total balance by ten percent (10%) each year until the school district's June 30 balance of aggregate annual categorical fund sources is twenty percent (20%) or less of the total aggregate annual state categorical fund allocations for the current school year.

(3) A school district may transfer funds received from any categorical fund source to another categorical fund source.

(4)(A) The department shall monitor on a yearly basis each school district's compliance with the requirements of this subsection.

(B) If a school district fails to comply with the requirements of this subsection during a school year, the department may in the following school year withhold from that school district's categorical funding allocation an amount equal to the amount required to be spent by the school district in order to be in compliance with the requirements of this subsection.

(C) The department may redistribute amounts withheld under this subsection to other school districts entitled to receive categorical funding allocations.

The Amendment was read \_\_\_\_\_  
By: Representative Pierce  
CLR/CLR - 03/11/11 11:21  
CLR236

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Chief Clerk