

1 State of Arkansas  
2 84th General Assembly  
3 Second Extraordinary Session, 2003  
4

Call Item 4

# A Bill

HOUSE BILL 1106

5 By: Representative C. Johnson  
6 By: Senator Argue  
7

## For An Act To Be Entitled

AN ACT TO REORGANIZE THE EXISTING PUBLIC SCHOOL  
EDUCATION SYSTEM; AND FOR OTHER PURPOSES.

### Subtitle

THE COMPREHENSIVE PUBLIC SCHOOL  
EDUCATION REORGANIZATION ACT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

WHEREAS, The Arkansas Supreme Court, in the decision of Lake View School District No. 25 v. Huckabee, 351 Ark. 31 (2002) declared the now extant system of public education to be unconstitutional because it is both inequitable and inadequate; and

WHEREAS, The Arkansas Supreme Court set forth the test for a constitutional system to be one in which the state has an “absolute duty” to provide an “equal opportunity to an adequate education”; and

WHEREAS, The Arkansas Supreme Court defined an “equal opportunity” to include the “basic components [of] substantially equal curricula, substantially equal facilities, and substantially equal equipment for obtaining an adequate education”; and

WHEREAS, The Arkansas Supreme Court pointed to discrepancies in teacher salaries finding that “[w]ell paid and well motivated teachers are what make the education engine run”; and



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WHEREAS, The Arkansas Supreme Court recognized that the Arkansas General Assembly had “addressed what an adequate education in Arkansas would entail” through the passage of § 3 of Act 1108 of 1997 and § 1 of Act 1307 of 1997; and

WHEREAS, The General Assembly acknowledges that Acts 1108 and 1307 set forth what Arkansas’ children should be able to know and do, which is the definition of an adequate education; and

WHEREAS, The Arkansas Supreme Court has given the General Assembly until January 1, 2004, to implement a constitutional education system; and

WHEREAS, of the state that any school district, regardless of size, whose students consistently exhibited exceptional performances on state, regional, or national examinations or on other related indicators of academic success would not be adversely affected by any structure of public education; and

WHEREAS, It is the desire of the State of Arkansas to maintain as many community schools and as much community involvement in public education as possible; and

WHEREAS, The state recognizes that there is no greater indicator of success in education than the involvement of the parents of students and the members of the community; and

WHEREAS, Multiple studies of education and education efficiency have determined that there are better ways of delivering an education system than the one that currently exists in Arkansas; and

WHEREAS, The state is acutely aware of financial and monetary restraints that have been placed on it by both the current state of the economy and the Constitution of the State of Arkansas; and

WHEREAS, The state has to find an efficient method to use its limited

1 resources to create a system of public education as defined by Article 14, as  
 2 amended, of the Arkansas Constitution,

3  
 4 NOW THEREFORE,

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

6  
 7 SECTION 1. Legislative purpose.

8 The General Assembly declares that this act is necessary to:

9 (1) Ensure the delivery of an equal opportunity for an adequate  
 10 education to the people of Arkansas in an efficient and effective manner;

11 (2) Provide education accountability at all levels of public  
 12 school education, including, but not limited to, student performance, teacher  
 13 performance, administrative performance, and overall school performance; and

14 (3) Develop a teacher compensation structure which enables the  
 15 State of Arkansas to compete both regionally and nationally in initial hiring  
 16 and retention of top quality teachers.

17  
 18 SECTION 2. Creation of the Office of Public School Accountability.

19 (a)(1) To enhance the public's access to public school performance  
 20 indicators and to better measure the benefits of the increasing public  
 21 investment in Arkansas' schools, the General Assembly finds that an Office of  
 22 Public School Accountability shall be established under the direct  
 23 operational control of the State Board of Education.

24 (2) The foremost obligation of the accountability office shall  
 25 be to administer all monitoring and compliance activities dealing with  
 26 academic and fiscal accountability for each school or school district and  
 27 report academic progress.

28 (b) There is created an Office of Public School Accountability, which  
 29 shall begin operation within one hundred twenty (120) calendar days following  
 30 the effective date of this act.

31 (c) The office shall be under the supervision of the state board.

32 (d) The state board shall select an individual to serve as the  
 33 Director of the Office of Public School Accountability and the director shall  
 34 serve at the pleasure of the state board.

35 (e) The director, with guidance and approval from the state board,  
 36 shall be responsible for hiring all employees of the office.

1           (f) The office shall have the following responsibilities:

2                   (1) Monitor schools for compliance with state and federal  
3 regulations;

4                   (2) Monitor schools for compliance with legislative acts and  
5 court-ordered mandates;

6                   (3) Monitor schools for compliance with all standards of  
7 learning and accreditation as established by the state board;

8                   (4) Monitor schools for compliance with all rules and  
9 regulations as established by the state board;

10                  (5) Coordinate the analysis, dissemination, and reporting of all  
11 criterion and norm-referenced testing information;

12                  (6) Coordinate the implementation and administration of  
13 longitudinal tracking and trend data collection as established by the state  
14 board for the purposes of improving student and school performance, ensuring  
15 mastery of the curriculum, and providing comparisons between students within  
16 Arkansas and with students in other states;

17                  (7) Coordinate the implementation and administration of value-  
18 added assessments as established by the state board;

19                  (8) Coordinate the implementation and administration of the  
20 annual school performance reports as established by the state board;

21                  (9) Administer all monitoring and compliance activities dealing  
22 with academic and fiscal accountability as established by the state board;  
23 and

24                  (10) Work with program approval and certification sections of  
25 the Department of Education, the Department of Higher Education, the  
26 Department of Workforce Education, and the individual colleges to provide  
27 information that will contribute to reasonable, equitable, and excellent  
28 preparation of certified personnel in the institutions, both public and  
29 private, of higher education.

30                  (g)(1) The office shall provide annual reports of school performance  
31 or compliance to the Joint Interim Oversight Committee on Education Reform,  
32 the House Interim Committee on Education, and the Senate Interim Committee on  
33 Education.

34                  (2) A preliminary report shall be provided by January 1 each  
35 year and a follow-up report that includes information regarding on-site  
36 visits shall be filed by June 1 each year.

1           (h)(1) There is created the Arkansas Public Schools Accountability  
 2 Advisory Council that shall begin operation within one hundred twenty (120)  
 3 calendar days following the effective date of this act. The membership of  
 4 the council shall include:

5                   (A) One (1) member designated as chair, to be selected by  
 6 the Governor, who shall be a representative of Arkansas businesses;

7                   (B) One (1) member selected by the Governor, who shall be  
 8 a representative of a educator’s union in the State of Arkansas;

9                   (C) One (1) member selected by the Governor, who shall be  
 10 a parent of at least one (1) student currently enrolled in grades  
 11 kindergarten through twelve (K-12) in a public school in the State of  
 12 Arkansas;

13                   (D) One (1) member selected by the Speaker of the House of  
 14 Representatives who shall be a representative of higher education;

15                   (E) One (1) member appointed by the President Pro Tempore  
 16 of the Senate who shall be a representative of Arkansas businesses;

17                   (F) One (1) member appointed by the chairperson of the  
 18 Senate Committee on Education who is currently employed as a teacher in the  
 19 grades kindergarten through twelve (K-12) public school system in the State  
 20 of Arkansas; and

21                   (G) One (1) member appointed by the chair of the House  
 22 Committee on Education who shall be a representative of the administration of  
 23 a public school in the State of Arkansas.

24                   (2) The council shall provide advice and consultation services  
 25 for the director.

26                   (3) The council may be convened by the chair of the council, by  
 27 the chair of the state board, or by the director.

28                   (4) Members shall not receive compensation for service on the  
 29 council but may receive expense reimbursement as provided in Arkansas Code §  
 30 25-16-902.

31  
 32           SECTION 3. Creation Office of the Office of Public School Academic  
 33 Facilities.

34                   (a) In order to ensure that substantially equal access to adequate  
 35 educational facilities and educational equipment is provided for all public  
 36 school students in Arkansas, the General Assembly finds that an Office of

1 Public School Academic Facilities should be established under the direct  
 2 supervision of the State Board of Education.

3 (b) There is created an Office of Public School Academic Facilities  
 4 which shall begin operation within one hundred twenty (120) calendar days  
 5 following the effective date of this act.

6 (c) The Office of Public School Academic Facilities shall be under the  
 7 supervision of the state board.

8 (d)(1) The state board shall select an individual to serve as the  
 9 Director of the Office of Public School Academic Facilities and the director  
 10 shall serve at the pleasure of the state board.

11 (2) The Public School Academic Facilities Director shall be an  
 12 architect that is licensed by the State of Arkansas.

13 (e) The director, with guidance and approval from the state board,  
 14 shall be responsible for hiring all employees of the office.

15 (f) The Executive Chief Information Officer shall assign one (1)  
 16 individual from the staff of the Office of Information Technology to serve as  
 17 a technology liaison to the Office of Public Schools Academic Facilities.

18 (g) The Director of the Arkansas Building Authority shall assign one  
 19 (1) individual from the staff of the Arkansas Building Authority to serve as  
 20 a physical plant liaison to the Public Schools Academic Facilities Director.

21 (h) The Office of Public Schools Academic Facilities shall:

22 (1) Provide information or assistance to the Joint Committee on  
 23 Educational Facilities created by Act 1181 of 2003 as requested by the joint  
 24 committee;

25 (2) Use any recommendation or assessments of the joint committee  
 26 or the General Assembly as a basis for establishing the policies and  
 27 procedures of the Office of Public Schools Academic Facilities; and

28 (3) Provide assistance, as requested, to the Joint Committee on  
 29 Educational Facilities in conducting an assessment of all school facilities  
 30 in the state and continue to update and maintain current assessments of all  
 31 school facilities after the expiration of the joint committee on December 31,  
 32 2004.

33 (i)(1) Beginning January 1, 2005, school districts shall provide to  
 34 the Office of Public Schools Academic Facilities, on a quarterly basis, a  
 35 list of any public school academic facility repair or improvement needed in  
 36 excess of five thousand dollars (\$5,000), new construction proposed in excess

1 of twenty-five thousand dollars (\$25,000), or technology needs in excess of  
2 ten thousand dollars (\$10,000).

3 (2) The Public School Academic Facilities Director shall create  
4 and implement a standardized reporting format and select the method to be  
5 utilized by school districts in the preparation and submission of the list to  
6 the Office of Public Schools Academic Facilities.

7 (3) The data gathered from the reports generated by the school  
8 districts shall be presented to the state board for compilation into an  
9 annual report to the Governor and the House Interim Committee on Education  
10 and the Senate Interim Committee on Education on the facilities needs in the  
11 state.

12 (4) The Office of Public Schools Academic Facilities shall  
13 conduct any reviews, site visits, and other research during the year to  
14 assist in preparation of the annual report.

15 (j)(1) The Public Schools Academic Facilities Director shall provide  
16 to the Governor and the House Interim Committee on Education and the Senate  
17 Interim Committee on Education reports on the status of public school  
18 academic facilities including the facility and technology needs and  
19 priorities for each category.

20 (2) A preliminary report shall be provided by January 1 each  
21 year and a follow-up report that includes information regarding on-site  
22 visits shall be filed by June 1 each year.

23 (k)(1)(A) No later than September 30 of each even-numbered year of the  
24 biennium, the office shall present to the state board the list of public  
25 school facility repairs, improvements, and construction along with technology  
26 improvements that the office recommends for the next biennium.

27 (B) Copies of the list shall be provided to the Governor  
28 and the House Interim Committee on Education and the Senate Interim Committee  
29 on Education.

30 (2) The state board shall prioritize funding for public school  
31 facility repairs, improvements, and construction along with technology  
32 improvements based on the recommendations of the office.

33 (1) The state board and the Office of Public Schools Academic  
34 Facilities shall develop, by rule and regulation, the process for developing  
35 the list of public school facility repairs, improvements, and construction  
36 along with technology improvements necessary under this act.

1  
 2 SECTION 4. Arkansas Code § 6-11-101(b), concerning State Board of  
 3 Education Members, is amended as follows:

4 (b)(1) The term of office of a member of the board, appointed prior to  
 5 the effective date the effective date of this subdivision (b)(2) of this  
 6 subsection, shall be six (6) years.

7 (2)(A) The term of office of a member of the state board,  
 8 appointed after the effective date of this subdivision (b)(2)(A), shall be a  
 9 single ten-year term.

10 (B) Any member appointed to the state board to fill a  
 11 vacancy for an uncompleted term with fewer than two (2) years remaining on  
 12 the original term, may be reappointed to an additional ten-year term.

13 (3) No current or new member shall be allowed to resign in order  
 14 to be appointed to a new term on the board.

15 (4) Nothing in this section shall be construed to change the  
 16 terms of any member of the state board that was appointed prior to the  
 17 effective date of this section.

18  
 19 SECTION 5. Arkansas Code § 6-11-118 is repealed.

20 ~~6-11-118. Office of Rural Services. [Effective July 1, 2000.]~~

21 ~~(a) This section shall be known as the "Rural Services Act of 1981".~~

22 ~~(b) The General Assembly recognizes that Arkansas Constitution,~~  
 23 ~~Article 14, requires the state to provide a general, suitable, and efficient~~  
 24 ~~system of free public schools and that the Department of Education is~~  
 25 ~~legislatively created to help provide these schools. The General Assembly~~  
 26 ~~further recognizes the need for effective aid and assistance to the smaller~~  
 27 ~~rural school districts of the state and that under the present structure of~~  
 28 ~~the department such aid and assistance is not adequate.~~

29 ~~(c)(1) There is created the Office of Rural Services in the~~  
 30 ~~department.~~

31 ~~(2) The Director of the Department of Education shall establish~~  
 32 ~~a coordinator in the office.~~

33 ~~(3) The duties of this office shall be to:~~

34 ~~(A) Direct programs to improve the quality of the rural~~  
 35 ~~schools of the state by helping to deliver comprehensive technical assistance~~  
 36 ~~services such as curriculum development, teaching methods evaluations,~~



1 ~~program development, planning, needs assessments, etc.;~~

2 ~~(B) Help develop teacher training programs that fit the~~  
 3 ~~needs of rural students;~~

4 ~~(C) Develop and conduct in-service education programs for~~  
 5 ~~rural teachers, administrators, and county board of education members;~~

6 ~~(D) Act as liaison between rural education and rural~~  
 7 ~~development activities;~~

8 ~~(E) Assist rural districts in developing rural resource~~  
 9 ~~cooperatives in order that rural schools can share a pool of specialized~~  
 10 ~~human, material, and technical resources;~~

11 ~~(F) Assist rural schools in construction and renovation~~  
 12 ~~programs;~~

13 ~~(G) Identify and create an awareness of promising~~  
 14 ~~practices of rural schools throughout the state and nation;~~

15 ~~(H) Serve as liaison between the department and the small~~  
 16 ~~schools; and~~

17 ~~(I) Coordinate all other activities especially for small~~  
 18 ~~schools and collect such data as are needed by the General Assembly in order~~  
 19 ~~that rural schools may be properly financed.~~

20 ~~(4) The office shall answer directly to the director.~~

21 ~~(d) For the purpose of this section, the term "rural school" shall be~~  
 22 ~~interchangeable with the term "small high school" and shall include those~~  
 23 ~~schools with enrollments of five hundred (500) or fewer in kindergarten~~  
 24 ~~through grade twelve (K-12). Schools with enrollments of five hundred (500)~~  
 25 ~~to seven hundred fifty (750) shall also be served by this office if they are~~  
 26 ~~in unincorporated areas and if the superintendent requests that the school~~  
 27 ~~become a part of the area for which this office is responsible.~~

28  
 29 SECTION 6. Arkansas Code Title 6, Chapter 13, is amended to add an  
 30 additional subchapter to read as follows:

31 6-13-1601. Consolidation list.

32 (a)(1) For purposes of this subchapter, "average daily membership"  
 33 means the total number of days attended plus the total number of days absent  
 34 by students in grades kindergarten through twelve (K-12) during the first  
 35 three (3) quarters of each school year divided by the number of school days  
 36 actually taught in the district during that period of time rounded up to the

1 nearest hundredth.

2 (2) As applied to this subchapter, students who may be counted  
3 for average daily membership are:

4 (A) Students who reside within the boundaries of the  
5 school district and who are enrolled in a public school operated by the  
6 district or a private school for special education students, with their  
7 attendance resulting from a written tuition agreement approved by the  
8 Department of Education;

9 (B) Legally transferred students living outside the  
10 district but attending a public school in the district; and

11 (C) Students who reside within the boundaries of the  
12 school district and who are enrolled in the Arkansas National Guard Youth  
13 Challenge Program, so long as the students are participants in the program.

14 (b)(1) By February 1, 2004, and each February 1 thereafter, the  
15 department shall publish a consolidation list that includes all school  
16 districts with fewer than five hundred (500) students per the district's  
17 average daily membership in both of the two (2) school years immediately  
18 preceding the current school year.

19 (2) However, a school district shall not appear on the  
20 consolidation list if:

21 (A) The school district has at least four hundred (400)  
22 students but less than five hundred (500) students based on the school  
23 district's average daily membership; and

24 (B) The school district's average daily membership  
25 increased by at least twelve percent (12%) over a period of ten (10) school  
26 years immediately preceding the current school year.

27  
28 6-13-1602. Administrative consolidation procedure.

29 (a)(1)(A) Any school district included in the Department of  
30 Education's administrative consolidation list may voluntarily agree to  
31 administratively consolidate with or be annexed to another district pursuant  
32 to the requirements of subdivision (c)(1) of this section.

33 (B) Any school district on the administrative  
34 consolidation list choosing to voluntarily consolidate or annex shall submit  
35 a petition for approval to the State Board of Education by March 15  
36 immediately following publication of the administrative consolidation list

1 and shall set forth the terms of the administrative consolidation or  
 2 annexation agreement in the plan.

3 (2) Any school district on the administrative consolidation list  
 4 that does not receive approval of a voluntary administrative consolidation or  
 5 annexation petition by the State Board of Education shall be administratively  
 6 consolidated or annexed by the state board with or into other school  
 7 districts by June 1, 2004, to be effective on July 1, immediately following  
 8 publication of the list under the requirements of § 6-13-1601(b).

9 (b) Any school district required to be administratively consolidated  
 10 or annexed under this subchapter shall be administratively consolidated or  
 11 annexed in such a manner as to create:

12 (1) A resulting district with an average daily membership  
 13 meeting or exceeding five hundred (500); or

14 (2) A countywide district.

15 (c)(1)(A) All administrative consolidations or annexations under this  
 16 section shall be accomplished so as not to create a school district that  
 17 hampers, delays or in any manner negatively affects the desegregation of  
 18 another school district in this state, and shall be in compliance with § 6-  
 19 13-1401 et seq., except the State Board of Education shall need no additional  
 20 authority from the affected districts to effectuate the requirements of this  
 21 act.

22 (B) The State Board of Education may receive and hear  
 23 petitions or move on its own motion to administratively consolidate or annex  
 24 a school district on the administrative consolidation list in such a time  
 25 frame to effectuate the mandate of § 6-13-1602(a).

26 (2) In the administratively consolidated or annexed school  
 27 districts created under this act, the tax millage rate shall be determined as  
 28 set forth under § 6-13-1409(b).

29  
 30 6-13-1603. School facilities in administratively consolidated school  
 31 districts.

32 (a) Nothing in this section shall be construed to require the closing  
 33 of any school or school facility.

34 (b)(1) Except as provided in subdivision (b)(2) of this section, no  
 35 school facility shall be closed by the State Board of Education or a local  
 36 school board until after completion of an assessment of public school

1 facilities by the Joint Committee on Educational Facilities as required by  
 2 Act 1181 of 2003, but in no event shall any facility be closed prior to  
 3 December 31, 2004.

4 (2) A school facility rendered uninhabitable or unsafe because  
 5 of a natural disaster or other unexpected occurrence may be closed by a local  
 6 school board.

7  
 8 6-13-1604. Consolidation with districts in academic distress  
 9 No district consolidated with a district designated by the State Board  
 10 of Education as being in academic distress shall be subject to academic or  
 11 fiscal distress sanctions for a period of three (3) years.

12  
 13 6-13-1605. Personnel in consolidated school districts.

14 (a) All school district personnel policies, decisions regarding  
 15 personnel, and the application of any reduction-in-force policies shall be in  
 16 compliance with the Federal Civil Rights Act of 1964, as amended, the Federal  
 17 Civil Rights Act of 1866, the Federal Civil Rights Act of 1871, the  
 18 Fourteenth Amendment to the United States Constitution, the Arkansas Civil  
 19 Rights Act of 1993, § 16-123-101, et seq. and any applicable court orders.

20 (b) No administratively consolidated district shall have more than one  
 21 superintendent.

22  
 23 SECTION 7. Arkansas Code Title 6, Chapter 20, Subchapter 6 is amended  
 24 to add an additional section to read as follows:

25 6-20-602. Isolated schools.

26 (a)(1) Prior to reorganization of a district under this act, the state  
 27 board shall declare a school to be "isolated", if the school district in  
 28 which the school is located, meets the following criteria:

29 (A) There is a distance of fifteen (15) miles or more by  
 30 hard-surfaced highway from the high school of the district to the nearest  
 31 adjacent high school in an adjoining district; and

32 (B) The density ratio of transported students is less than  
 33 three (3) students per square mile.

34 (2) The State Board of Education shall have the authority to  
 35 declare other schools isolated if the school district can demonstrate to the  
 36 state board that the students would be unreasonably harmed by a long

1 transportation time due to geographical barriers.

2 (b) Any school qualifying as an isolated school under this section  
 3 that is in a school district subject to consolidation, annexation, or  
 4 reorganization under this act shall remain open under the resulting district.

5 (c) The resulting district shall be entitled to funding for isolated  
 6 schools as provided by law or State Board rule.

7  
 8 SECTION 8. Arkansas Code § 6-20-601 is repealed.

9 ~~6-20-601. Qualifications for receiving isolated funding.~~

10 ~~(a) As used in this section, "isolated school district" means a school~~  
 11 ~~district that meets any four (4) of the following five (5) criteria:~~

12 ~~(1) There is a distance of twelve (12) miles or more by hard-~~  
 13 ~~surfaced highway from the high school of the district to the nearest adjacent~~  
 14 ~~high school in an adjoining district;~~

15 ~~(2) The density ratio of transported students is less than three~~  
 16 ~~(3) students per square mile of area;~~

17 ~~(3) The total area of the district is ninety five square miles~~  
 18 ~~(95 sq. mi.) or greater;~~

19 ~~(4) Less than fifty percent (50%) of bus route miles is on hard-~~  
 20 ~~surfaced roads; and~~

21 ~~(5) There are geographic barriers such as lakes, rivers, and~~  
 22 ~~mountain ranges which would impede travel to schools that otherwise would be~~  
 23 ~~appropriate for consolidation, cooperative programs, and shared services.~~

24 ~~(b) An isolated school district shall be eligible to receive isolated~~  
 25 ~~funding if:~~

26 ~~(1) The district's budget is prepared by the local district with~~  
 27 ~~Department of Education approval;~~

28 ~~(2) The district has an average daily membership of less than~~  
 29 ~~three hundred fifty (350); and~~

30 ~~(3) The district meets the minimum standards for accreditation~~  
 31 ~~of public schools prescribed by law and regulation.~~

32 ~~(c) Any school district designated as an isolated school district for~~  
 33 ~~the 1996-1997 fiscal year that used geographic barriers as one (1) of the~~  
 34 ~~four (4) criteria necessary to receive isolated funding shall be allowed to~~  
 35 ~~continue to use geographic barriers as a criterion for future allocations of~~  
 36 ~~isolated funding.~~

1           ~~(d)(1) State financial aid in the form of isolated funding shall be~~  
 2 ~~provided to local school districts qualifying under this section and shall be~~  
 3 ~~calculated as follows:~~

4           ~~(350 Previous year's average daily membership) divided by eight~~  
 5 ~~hundred fifty (850) times the previous year's average daily membership times~~  
 6 ~~the base local revenue per student.~~

7           ~~(2) There shall be two (2) categories of isolated funding:~~

8           ~~(A) Category I isolated funding shall be provided to all~~  
 9 ~~school districts that qualify under this section; and~~

10           ~~(B) Category II isolated funding shall be further provided~~  
 11 ~~to those school districts that qualify under this section and have an average~~  
 12 ~~daily membership density ratio of less than 1.2 students per square mile and~~  
 13 ~~shall be calculated at fifty percent (50%) of Category I funding.~~

14           ~~(3) Those school districts that qualify under this section and~~  
 15 ~~whose local revenue per student exceeds the base local revenue per student~~  
 16 ~~shall receive isolated funding calculated as follows:—(Category I plus~~  
 17 ~~Category II) minus (base local revenue per student minus local revenue per~~  
 18 ~~student) times the previous year's average daily membership.~~

19           ~~(4) In the event that the statewide amount for isolated funding~~  
 20 ~~calculated pursuant to this section is less than the amount appropriated for~~  
 21 ~~isolated funding, the State Board of Education may include a funding factor~~  
 22 ~~in the calculation in § 6-20-303(14)(A) in order to expend up to the~~  
 23 ~~appropriated amount.~~

24           ~~(e) No school district which may qualify under other law to receive~~  
 25 ~~additional state aid because its average daily membership is less than three~~  
 26 ~~hundred fifty (350) shall be eligible to receive funding under this section~~  
 27 ~~except that a district qualifying under other law for such aid and~~  
 28 ~~qualifying for funds under this section may elect to receive funds under this~~  
 29 ~~section in lieu of aid under the other.~~

30  
 31           SECTION 9. Arkansas Code §§ 6-13-905 and 6-13-906 are amended to read  
 32 as follows:

33           6-13-905. Board of directors.

34           (a) Each cooperative ~~will~~ shall be governed by a board of directors  
 35 ~~consisting of one representative appointed by the board of directors of each~~  
 36 ~~cooperating school district.~~

1           (b)(1) The directors of the cooperatives shall collectively develop a  
 2 system by which the board of directors for each cooperative are appointed so  
 3 that the board is made up of at least one representative appointed by the  
 4 board of directors of each cooperating school district.

5           (2) The representatives of the cooperating districts shall  
 6 include:

7                           (A) Two (2) classroom teachers;

8                           (B) Two (2) members of school boards of cooperating  
 9 districts;

10                          (C) Two (2) members representative of the business  
 11 community;

12                          (D) One (1) parent; and

13                          (E) Other representatives as selected by the local board  
 14 of directors of each cooperating school district.

15           ~~(b)(c)~~ The board shall be empowered to hire a director and other  
 16 employees and to contract for services, supplies, and equipment.

17           ~~(e)(d)~~ Policies for the operation of the cooperative will be developed  
 18 by the board of directors and be filed with the Department of Education as  
 19 required by law of school districts generally.

20  
 21           6-13-906. Rules, regulations, and reports.

22           (a) ~~The cooperatives will~~ director of a cooperative and the board of  
 23 directors of a cooperative shall:

24                          (1) Abide by all rules and regulations of the Department of  
 25 Education which apply to school districts generally; ~~and~~

26                          (2) Make all reports as required by law and regulation which  
 27 apply to school districts generally to the department-~~r~~;

28                          (3) Administer the programs and services of the cooperative;

29                          (4) Direct expenditures of funds within the cooperative's  
 30 budget;

31                          (5) Receive and expend funds needed to provide programs and  
 32 services to school districts in the area;

33                          (6) Secure and maintain facilities as are required to provide  
 34 authorized programs and services;

35                          (7) Supply any and all information and reports requested by the  
 36 Director of the Department of Education in a timely manner; and

1           (8) Perform other duties as required by the Director of the  
 2 Department of Education and the policies, rules, and regulations of the State  
 3 Board of Education.

4           (b)(1) Records of the expenditures and receipts of the cooperatives  
 5 shall be kept in such manner and on such forms as may be specified by the  
 6 department or the School Audit Section of the Division of Legislative Audit  
 7 of the Legislative Joint Auditing Committee.

8           (2) Reports on expenditures and receipts shall be made for the  
 9 cooperative as a single agency or shall be made separately by the school  
 10 districts to reflect the status of each member district at such time and in  
 11 such manner as specified by the department.

12           (c) Any member of a board of directors of a cooperative or director of  
 13 a cooperative holding a license issued by the State Board of Education who  
 14 fails to comply with subsection (a) of this section, may have his or her  
 15 license revoked or suspended.

16  
 17           SECTION 10. Effective July 1, 2004, Arkansas Code § 6-13-1010 is  
 18 amended to read as follows:

19           6-13-1010. Director.

20           (a) Each education service cooperative shall be administered by a  
 21 director who shall perform the following duties:

22           (1) Administer the programs and services of the education  
 23 service cooperative;

24           (2) Recommend the employment of professional and nonprofessional  
 25 personnel authorized by the education service cooperative's governing body;

26           (3) Prepare the budget for adoption by the education service  
 27 cooperative's governing body;

28           (4) Direct expenditures of funds within the budget; ~~and~~

29           (5) Perform other duties as required by the education service  
 30 cooperative's governing body and the policies, rules, and regulations of the  
 31 State Board of Education-;

32           (6) Supply any and all information and reports requested by the  
 33 Director of the Department of Education in a timely manner; and

34           (7) Perform other duties as required by the Director of the  
 35 Department of Education and the policies, rules, and regulations of the State  
 36 Board of Education.



1 (b) The director of each education service cooperative shall:

2 (1) Hold an administrator's certificate and meet all  
 3 requirements to serve as a superintendent of schools in the State of  
 4 Arkansas; or

5 (2) Have an alternative learning environment level of education  
 6 and administrative experience and obtain the approval of the board.

7 (c) The governing body of any education service cooperative may enter  
 8 into a contract with a director for a period not to exceed three (3) years.  
 9

10 SECTION 11. Arkansas Code Title 6, Chapter 13 Subchapter 10, is  
 11 amended to add an additional section to read as follows:

12 6-13-1027. Education service cooperative – Personnel.

13 (a) The director of each education service cooperative shall hire  
 14 qualified personnel as may be needed to fulfill the purposes of the education  
 15 service cooperative.

16 (b) No employee, hired after the effective date of this act of this  
 17 subsection (b), of the education service cooperative shall be related within  
 18 the second degree of consanguinity or affinity to the director of the  
 19 cooperative or any member of the board of directors of the education service  
 20 cooperative.  
 21

22 SECTION 12. Arkansas Code Title 6, Chapter 13, Subchapter 10 is  
 23 amended to add an additional section to read as follows:

24 6-13-1028. Education service cooperatives – Professional development  
 25 center.

26 (a) Each education service cooperative shall establish a professional  
 27 development center that will provide curriculum development assistance,  
 28 educational materials, and professional development services to educators,  
 29 parents, and other community groups within the school districts in the  
 30 service area or to other entities.

31 (b) A professional development coordinator, who shall report to the  
 32 director of the education service cooperative, shall manage the professional  
 33 development center.

34 (c) Each professional development center shall develop, maintain, and  
 35 deliver services to improve student, school, and school district academic  
 36 performance and to implement initiatives identified by the Director of the

1 Department of Education.

2 (d)(1)(A) Each Professional Development Center shall develop a  
 3 professional development plan.

4 (B) The plan shall be based on the requirements within the  
 5 professional development rules and regulations, State Board of Education  
 6 priorities, student achievement data, and the school improvement plans of the  
 7 member school districts.

8 (2) Improvement of student achievement shall be the prerequisite  
 9 goal of all professional development.

10 (3) The plan shall include the purposes and descriptions of  
 11 services the professional development center shall provide to schools in  
 12 school improvement and the other schools or entities served by the  
 13 cooperative.

14 (4)(A) Teachers, administrators, and classified school employees  
 15 shall be involved in the design, implementation, and evaluation of the  
 16 professional development offerings.

17 (B) The evaluation results shall be given to each group of  
 18 employees and used for continuing improvement.

19 (e) Each professional development center shall annually report to the  
 20 Director of the Department of Education regarding professional development  
 21 activities for the previous year as required by the department.

22 (f) Each professional development center shall provide for the  
 23 services of a mathematics specialist, literacy specialist, instructional  
 24 technology specialist, and other specialists, including, but not limited to,  
 25 gifted and talented, dropout prevention, special education, early childhood,  
 26 as identified and required by the department, with special attention and  
 27 additional services provided to those schools and school districts with high  
 28 concentrations of low-income families or students from low-income families as  
 29 indicated by eligibility for the free or reduced-price lunch program under  
 30 the National School Lunch Act or any other act of the United States Congress,  
 31 in existence on January 1, 2003.

32  
 33 SECTION 13. Arkansas Code Title 6, Chapter 17, Subchapter 2 is amended  
 34 to add an additional section to read as follows:

35 6-17-211. Interim personnel policy committees.

36 (a) For purposes of this section the following definitions shall

1 apply:

2 (1) "Consolidation" means any reorganization of a school  
 3 district effective on or before July 1, 2004, either voluntarily under § 6-  
 4 13-1401 et seq., or involuntary under this section;

5 (2) "Interim school board" means:

6 (A) The temporary school board governing a school district  
 7 under this act; or

8 (B) In the event of a voluntary consolidation under §6-13-  
 9 1401 et seq., a board consisting of the presidents of the school district  
 10 boards of directors of the school districts to be consolidated, which shall  
 11 be formed for the purpose of reviewing and adopting a uniform set of policies  
 12 under this section; and

13 (3) "New school district" means the resulting school district  
 14 after consolidation.

15 (b)(1) As soon as possible after the school boards or the qualified  
 16 electors of the school districts agree to be consolidated, or as soon as  
 17 possible after the State Board of Education publishes its preliminary list of  
 18 school districts to be consolidated, the personnel policy committee of each  
 19 of the school districts involved in the consolidation shall meet individually  
 20 and elect members to form an interim personnel policy committee for the new  
 21 school district. The personnel policy committees of the existing school  
 22 districts shall elect:

23 (A) If three (3) or fewer school districts are  
 24 consolidating, three (3) existing teacher members of the personnel policy  
 25 committee from each school district to serve on the interim personnel policy  
 26 committee;

27 (B) If four (4) or more school districts are  
 28 consolidating, two (2) existing teacher members of the personnel policy  
 29 committee from each school district to serve on the interim personnel policy  
 30 committee; and

31 (C) One (1) administrator from each of the school  
 32 districts to serve on the interim personnel policy committee.

33 (2) The interim personnel policy committee shall elect a  
 34 chairperson and a secretary, both of whom shall be classroom teachers, and  
 35 schedule a meeting to review all the written uniform policies of the  
 36 respective districts that affect the terms and conditions of the teachers'

1 employment. From those written policies the interim personnel policy  
2 committee shall put together a proposed set of policies for the new school  
3 district.

4 (3) The interim personnel policies committee shall reflect the  
5 diversity of the population of the new school district.

6 (4) Any personnel policies shall be in compliance with the  
7 Federal Civil Rights Act of 1964, the Federal Civil Rights Act of 1866, the  
8 Federal Civil Rights Act of 1871, the Fourteenth Amendment to the United  
9 States Constitution, the Arkansas Civil Rights Act of 1993, § 16-123-101, et  
10 seq. and any applicable court orders.

11 (c)(1) After drafting a proposed set of policies for the new school  
12 district, the interim personnel policy committee shall meet with the interim  
13 school board of the new school district to present and explain to the interim  
14 school board the proposed set of policies for the new school district.

15 (2) Upon request of the interim personnel policy committee, the  
16 interim school board shall be entitled to meet with the interim personnel  
17 policy committee at least twice before June 1, 2004, for the purpose of  
18 reviewing, receiving, and discussing with the interim personnel policy  
19 committee the proposed policies for the new school district.

20 (d) The interim personnel policy committee shall serve as the new  
21 school district's personnel policy committee until a new personnel policy  
22 committee is formed and the successor personnel policy committee members are  
23 elected under this subchapter, or until the new school district chooses to  
24 officially recognize in its policies an organization representing a majority  
25 of the teachers in the district for purposes of negotiating as provided for  
26 under this subchapter.

27 (e)(1) The interim school board shall adopt a uniform set of policies  
28 before July 1, 2004, which shall be the personnel policies for the new school  
29 district for the 2004-2005 school year. If the interim school board decides  
30 to adopt any policy or policies different from those proposed by the interim  
31 personnel policy committee, the interim school board shall submit the  
32 proposals to the interim personnel policy committee at least seven (7) days  
33 prior to being considered for adoption by the board.

34 (2) The chair of the interim personnel policy committee or a  
35 committee member designated by the chair will have the opportunity to orally  
36 comment on any of the interim school board's proposals prior to their

1 adoption.

2 (3) Any written policy of a new school district that affects the  
 3 terms and conditions of a teacher’s employment shall be considered a  
 4 personnel policy.

5 (4) The new personnel policies shall not impair or diminish the  
 6 existing contract rights of any teacher.

7 (f) If a school district with a personnel policy committee  
 8 consolidates with another school that recognizes in its policies an  
 9 organization representing the majority of the teachers of the district for  
 10 the purpose of negotiating personnel policies, salaries, and educational  
 11 matters of mutual concern pursuant to § 6-17-202, the teachers in the  
 12 district with the personnel policy committee shall have the right, in their  
 13 first year of employment with the new district, to elect to have their  
 14 contract governed by the negotiated personnel policies of the new district or  
 15 to continue with the terms of their existing contract under the personnel  
 16 policies of the district they were employed by the year prior to the  
 17 consolidation.

18 (g) The provisions of this section shall expire on July 1, 2005.

19

20 SECTION 14. Arkansas Code Title 6, Chapter 17, Subchapter 2, is  
 21 amended to add an additional section to read as follows:

22 6-17-211. Reduction in Force – Lay-offs.

23 (a) For purposes of this section the following definitions shall  
 24 apply:

25 (1) “Certification area” means grade levels or subject area for  
 26 which the state provides a license to teach;

27 (2) “Classified employee” means a nonsupervisory employee  
 28 holding a position that is not required by law to hold a license issued by  
 29 the State Board of Education and whose salary is on a support or classified  
 30 salary schedule;

31 (3) “Consolidation” means any reorganization of a school  
 32 district effective on or before July 1, 2004, either voluntarily under §6-13-  
 33 1701 et seq. or involuntary under this section;

34 (4) “Grade level” means:

35 (A) Pre-kindergarten;

36 (B) Elementary, which consists of grade kindergarten

1 through grade five (5) or grade six (6);

2 (C) Middle or junior high, which consists of grade six (6)  
 3 or grade seven (7) through grade eight (8) or grade nine (9); or

4 (D) Senior high, which consists of grades nine through  
 5 twelve (9-12);

6 (5) "New school district" means the resulting school district  
 7 after consolidation;

8 (6) "Seniority" means the total number of years of employment as  
 9 a teacher or as a classified employee in the Arkansas public elementary and  
 10 secondary schools. For purposes of this section:

11 (A) Teachers may not count service as classified employees  
 12 towards seniority; and

13 (B) A semester under contract shall be counted as a year.  
 14 Less than a semester shall not be recognized for seniority;

15 (7) "Supervisory employee" means any individual employed by the  
 16 school district having authority, in the interest of the employer, to hire,  
 17 transfer, suspend, lay off, recall, promote, discharge, assign, reward, or  
 18 discipline other employees, the responsibility to evaluate them, or to adjust  
 19 their grievances or effectively to recommend such action; and

20 (8) "Teacher" means a nonsupervisory employee holding a position  
 21 that requires a license from the State Board of Education whose salary is  
 22 determined by the state minimum teacher salary schedule.

23 (b)(1) In the event of a consolidation effective on or before July 1,  
 24 2004, the school districts to be consolidated shall not implement a reduction  
 25 in force and shall not nonrenew or terminate any teacher's or classified  
 26 employee's contract based upon the upcoming consolidation.

27 (2) The new school district shall become liable for all teacher  
 28 and classified employee contracts of the school districts being consolidated.

29 (c)(1) If during the first two (2) years following a consolidation,  
 30 effective on or before July 1, 2004, the new school district determines that  
 31 it is necessary to reduce its staff of teachers or classified employees, or  
 32 both, and that the reduction cannot be accomplished through attrition, then  
 33 the new school district shall follow the provisions of this section.

34 (2) However, nothing in this section shall exempt a new school  
 35 district from complying with The Teacher Fair Dismissal Act of 1983, § 6-17-  
 36 1501 et seq., as may be amended, or the Public School Employee Fair Hearing

1 Act, § 6-17-1707 et seq., as may be amended, or § 6-13-1603, when  
 2 implementing the reduction in force.

3 (d) For both teachers and classified employees, the reduction in force  
 4 shall be accomplished through attrition as much as possible.

5 (e) When a new school district determines that a reduction in force is  
 6 necessary, it shall approve a list of position reductions by school, grade  
 7 level, certification areas, and classified job positions. All employees shall  
 8 receive a copy of the necessary reductions.

9 (f)(1) If the reduction in force cannot be accomplished through  
 10 attrition, then points will be assigned to each teacher based upon data as of  
 11 July 1 of the year prior to the time in which the reduction in force is to  
 12 take place as follows:

13 (A) One (1) point shall be given for each year of  
 14 seniority;

15 (B) Additional points for graduate degrees, but only one  
 16 (1) applies:

17 (i) Two (2) points shall be given for an earned  
 18 master's degree, maximum two (2) points;

19 (ii) Three (3) points shall be given for a master's  
 20 degree plus thirty (30) additional graduate level hours, maximum three (3)  
 21 points;

22 (iii) Four (4) points shall be given for an  
 23 Educational Specialist degree, maximum four (4) points; and

24 (iv) Five (5) points shall be given for a doctorate  
 25 degree, maximum five (5) points;

26 (C) Six (6) points shall be given for certification by the  
 27 National Board of Professional Teaching Standards;

28 (D) One (1) point shall be given for a trained mentor  
 29 teacher;

30 (E) One (1) point shall be given for a certified Praxis  
 31 assessor;

32 (F) One (1) point shall be given for two (2) or more  
 33 academic content areas of endorsement as identified by the state board;

34 (G) One (1) point shall be given for certification or  
 35 teaching in an state board approved shortage area; and

36 (H) One (1) point shall be given for multiple areas and

1 levels of licensure as identified by the state board.

2 (2) All points assigned shall be verified by documents on file  
 3 with the new school district. Each teacher's points shall be added and  
 4 teachers shall be ranked by the total points from high to low in their  
 5 certification areas. All teachers in the new school district shall receive  
 6 the listing of personnel and point totals.

7 (3) In each certification area, those with fewest points will be  
 8 laid off first with the following provisos:

9 (A) Full certification in a position shall prevail over  
 10 greater points.

11 (B) If points are equal, earliest date of employment in an  
 12 Arkansas public school shall prevail.

13 (4) If teachers are laid-off from employment under this section,  
 14 they shall be offered an opportunity to fill a vacancy for which they are  
 15 qualified, for a period of up to two (2) years. The laid off teacher shall  
 16 be recalled for a period of two (2) years in reverse order of the layoff to  
 17 any position for which they are qualified. A teacher's refusal of a position  
 18 shall end the district's obligation to place the laid-off teacher.

19 (g) In the event of a necessary reduction in force under this section  
 20 of classified employees, the school district shall supply all classified  
 21 employees a list of employees by length of service. The school district  
 22 shall first lay off probationary classified employees, then the classified  
 23 employees with the least seniority in the identified job classification. For  
 24 two (2) years following the reduction, classified employees whose positions  
 25 have been eliminated due to a reduction under this section shall have the  
 26 right to assume a position for which they are qualified that is held by the  
 27 least senior classified employee with the same job classification and length  
 28 of contract. Laid-off classified employees shall be recalled for a period of  
 29 two (2) years in reverse order of the layoff to any position for which they  
 30 are qualified. Any classified employee's refusal of a job shall end the  
 31 district's obligation to place that classified employee.

32 (h) Laid-off teachers or classified employees with skills in the area  
 33 of a vacant position shall be given first consideration. If more than one  
 34 (1) teacher or classified employee is qualified for the vacant position, the  
 35 teacher with the greatest seniority shall be employed first.

36 (i) The provisions of this section shall expire on July 1, 2006, with



1 the exception of the recall provisions in subdivision (f)(4) and subsection  
 2 (g) and (h) of this section.

3 (j) The Arkansas Employment Security Division shall be available to  
 4 assist laid-off employees as may be appropriate.

5 (k) The provisions of this section shall not interfere with or  
 6 restrict the authority of a school district to comply with applicable court  
 7 orders regarding personnel matters.

8  
 9 SECTION 15. Arkansas Code § 6-17-410(e)(2), pertaining to the reasons  
 10 for which a license may be revoked or suspended or the licensee placed on  
 11 probation, is amended to add an additional subdivision to read as follows:

12 (J) Determination by the Department of Education that a  
 13 school superintendent or education service cooperative director has committed  
 14 an act or violation, including, but not limited to, any violation of Arkansas  
 15 or federal law, rules or regulations, or reporting requirements which  
 16 jeopardizes the fiscal or academic integrity of a school or school district.

17  
 18 SECTION 16. Arkansas Code § 6-18-508 is amended to read as follows:  
 19 6-18-508. Alternative learning environment.

20 (a) For purposes of this subchapter:

21 (1) "Alternative learning environment" is an educational setting  
 22 which offers nontraditional or flexible instructional methods that enable all  
 23 students to participate in the educational process and to prevent dropping  
 24 out;

25 (2) "At-risk students" are those in the public school whose  
 26 educational and social progress deviates from the standard expected for a  
 27 successful transition to a productive adult life. An at-risk student, though  
 28 intelligent and capable, typically manifests one (1) or more of the following  
 29 characteristics:

30 (3) "Disruptive behavior" is behavior that interferes with the  
 31 student's own learning or the educational process of others and requires  
 32 attention and assistance beyond what the traditional program provides,  
 33 behavior that severely threatens the general welfare of other, and frequent  
 34 conflicts of a disruptive nature while the student is under the jurisdiction  
 35 of the school, either in or out of the classroom;

36 (4) "Dropping out" is leaving school without graduating or

1 completing a state- or district-approved secondary program;

2 (5) “Nontraditional flexible instructional methods” are  
 3 innovative methods of instructional delivery such as flexible timeframes,  
 4 variable credit delivery systems, applied learning, integrated curriculum,  
 5 and work-based learning;

6 (A) Recurring absenteeism;

7 (B) Disruptive behavior;

8 (C) Drop out from school;

9 (D) Personal or family problems or situations;

10 (E) Transition to or from residential programs; and

11 (F) Standardized test scores or assessment portfolios  
 12 which indicate that the student is nine (9) months or more behind-grade  
 13 level, is one (1) or more years behind grade-level in accumulation of credits  
 14 for graduation, or has been retained one (1) or more times;

15 (6) “Personal and family problems or situations” are conditions  
 16 that negatively affect the student’s academic and social progress. These may  
 17 include, but are not limited to:

18 (A) Pregnancy;

19 (B) Single parenting;

20 (C) Mental/physical health problems;

21 (D) Frequent relocation of residency;

22 (E) Homelessness;

23 (F) Abuse, including, physical, mental, sexual abuse; and

24 (G) Inadequate emotional support; and

25 (7) “Students in transition” are those moving to or from  
 26 residential programs such as detention, psychiatric treatment, legal  
 27 commitment, and substance abuse rehabilitation.

28 (b) The following shall apply to student admission:

29 (1) A student should be assigned to an alternative learning  
 30 environment for no fewer than twenty (20) consecutive school days;

31 (2)(i) A student assigned to an alternative learning environment  
 32 should be assessed within twenty (20) school days. The student assessment  
 33 profile should include information on behavioral assessment, attendance  
 34 records, and problems both in and out of school.

35 (ii) Screening should be conducted to diagnose  
 36 learning difficulties and achievement deficits;

1           (3) Eligible students with disabilities defined by the  
 2 Individuals with Disabilities Education Act (IDEA), Public Law 94-142, as  
 3 amended, may be placed in an alternative learning environment.  
 4 alternative learning environments shall provide access to appropriate  
 5 education services consistent with federal laws and regulations;

6           (4) Each alternative learning environment shall have a plan to  
 7 involve parents, guardians, or other parties responsible for the student; and

8           (5) The district or districts operating the alternative learning  
 9 environment shall not discriminate against any student or group of students  
 10 on the basis of race, gender, handicap, or religious belief in the criteria  
 11 for admission or in operating the alternative learning environment.

12         (c) ~~(a)~~ Every school district shall establish an alternative learning  
 13 environment which shall afford students an environment conducive to learning.

14         (d)(1) ~~(b)~~ The alternative learning environment required by this  
 15 section may be established by more than one (1) school district ~~or may be~~  
 16 ~~operated by a public school educational cooperative established under § 6-13-~~  
 17 ~~901 et seq~~ or an education service cooperative.

18           (2) The alternative learning environment must meet the following  
 19 criteria:

20                   (A) Have students supervised by a currently-licensed  
 21 teacher;

22                   (B)(i) Have a student-to-teacher ratio in the alternative  
 23 learning environment of no more than fifteen (15) to one (1).

24                           (ii) Have a student-to-teacher ratio of no more than  
 25 twenty (20) to one (1) if an aide is employed in addition to a licensed  
 26 supervisor.

27                           (iii) Have a ratio of one (1) certified employee for  
 28 every fifteen (15) full-time students;

29                   (C) Provide each alternative learning student access to  
 30 the services of a school counselor, a mental health professional, a social  
 31 worker, and other district resources, including, but not limited to  
 32 transportation, health services, and free or reduced price lunch;

33                   (D) Provide a curriculum including mathematics, science,  
 34 social studies, and language arts correlated with the regular classroom  
 35 instruction or with the standards for the General Educational Development  
 36 tests; and

1                   (E) Provide comprehensive staff development which includes  
 2 such topics as conflict management, interpersonal skills and human  
 3 development, counseling and group process skills, positive approaches to  
 4 behavior management and discipline, stress management, and building self-  
 5 confidence for all regular, certified, or classified staff.

6                   (3) The Department of Education shall randomly monitor school  
 7 districts to ensure that alternative learning environments have been  
 8 established, are conducive to learning, and are providing intervention  
 9 services designed to address individual needs of students. Each school  
 10 district shall be monitored at least once every three (3) years.

11                   ~~(e)-(e)~~ The Department of Education shall establish criteria for  
 12 teacher preparation for alternative learning environments, which shall  
 13 include in-service training.

14                   ~~(d)-(1)-(A)-(f)(1)(A)~~ Each school district shall report to the  
 15 department, on a yearly basis, the race, gender, and other pertinent  
 16 information regarding students placed in an alternative learning environment  
 17 Districts must submit an annual report to the Department of Education using a  
 18 format developed by the department. Each operating alternative learning  
 19 environment should maintain information, including, but not limited to, the  
 20 following:

- 21                                   (i) Number of students;
- 22                                   (ii) Length of enrollments;
- 23                                   (iii) Attendance rate;
- 24                                   (iv) Age of students;
- 25                                   (v) Race and gender of students;
- 26                                   (vi) Grade level at the time of entry and exit from  
 27 the program;
- 28                                   (vii) Reasons for admission; and
- 29                                   (viii) Current status of students on date of the  
 30 report.

31                   (B) This information shall be reported by the department  
 32 to the Joint Interim Oversight Subcommittee on Educational Reform by  
 33 September 15 of each year.

34                   (2) The Arkansas Pygmalion Commission on Nontraditional  
 35 Education will also report its findings by the same time each year to the  
 36 same legislative body.

1           ~~(g)(e) All funding for alternative education programs distributed~~  
 2 ~~outside the funding formula and which meets the guidelines developed by the~~  
 3 ~~department shall be released at the beginning of the school year or~~  
 4 ~~distributed proportionally along with the state aid to school districts. Any~~  
 5 funds received by a local school district for alternative learning  
 6 environments may only be expended for eligible alternative learning  
 7 environment programs.

8           ~~(h)(f) For the 1999-2000 school year and each year thereafter, the~~  
 9 ~~department will develop an incentive program for those school districts whose~~  
 10 ~~alternative education programs have met the guidelines. The State Board of~~  
 11 ~~Education may promulgate rules and regulations to implement this section.~~

12  
 13           SECTION 17. Effective July 1, 2004, the Insurance Services Division of  
 14 the Department of Education is transferred by a Type 2 transfer as provided  
 15 in Arkansas Code § 25-2-105 to the State Insurance Department.

16           Any and all statutory and regulatory authority, powers, duties,  
 17 functions, records, property, and funds administered or provided by other  
 18 support divisions within the Department of Education or the State Board of  
 19 Education for The Public Elementary and Secondary School Self Insurance Act  
 20 of 1973 § 6-20-1501 et seq. or the Insurance Service Division of the  
 21 Department of Education shall be transferred by a Type 2 transfer as provided  
 22 in Arkansas Code § 25-2-105 to the State Insurance Department.

23  
 24           SECTION 18. Arkansas Code § 26-80-111 is amended to read as follows:

25           26-80-111. School districts formed by consolidation, annexation, or  
 26 merger.

27           (a) When a new school district is created from all or parts of two (2)  
 28 or more districts or a district is dissolved and all or part of the area of  
 29 the dissolved district is annexed to or consolidated with an existing  
 30 district, the board of directors of the resulting district shall submit to  
 31 the electors of the district at the next annual school election a proposed  
 32 tax millage rate for the district. If the proposed millage rate is approved  
 33 by the electors of the district, it shall be the rate for the district,  
 34 provided such rate complies with the uniform rate of tax.

35           (b) If a new school district is created from all or parts of two (2)  
 36 or more districts or a district is dissolved and all or part of the area of

1 the dissolved district is annexed to or consolidated with an existing  
 2 district and if the electors have failed to approve a proposed millage rate  
 3 at a an annual school election, then the millage rate for the district shall  
 4 be the millage rate levied, at the last school election prior to the  
 5 consolidation, annexation or merger in the district which had the highest  
 6 average daily membership during the school year preceding the consolidation,  
 7 annexation, or merger, provided such rate complies with the uniform rate of  
 8 tax then the tax shall be collected at the rate approved in the last  
 9 preceding school election. However, if the rate last approved has been  
 10 modified pursuant to the Arkansas Constitution, Amendment 74, subsection (b)  
 11 or subdivision (c)(2), then the tax shall be collected at the modified rate  
 12 until another rate is approved.

13  
 14 SECTION 19. REALIGNMENT OF THE DEPARTMENT OF EDUCATION. NOT TO BE  
 15 INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL,  
 16 LOCAL, AND TEMPORARY LAW.

17 (a)(1) Following the implementation of this act, the Department of  
 18 Education shall reorganize.

19 (2) The purpose of the reorganization shall be for the  
 20 department to maximize its role as the active senior partner with the schools  
 21 and prepare to intervene immediately rather than after the school or school  
 22 district fails.

23 (3)(A) To reorganize, the department shall form a taskforce  
 24 consisting of key department personnel, school district personnel, teachers,  
 25 and other stakeholders to conduct a study the department's delivery system  
 26 and make recommendations for the department's reorganization.

27 (B)(i) As part of the study, the taskforce shall conduct a  
 28 comprehensive review of the salaries of individuals necessary to fulfill the  
 29 department's constitutional mission.

30 (ii) This study shall include equity adjustments to  
 31 recognize differences in responsibility, performance, or seniority.

32 (iii) Qualifications and salary levels shall be  
 33 comparable to those of similar employees in school districts or in other  
 34 state education agencies.

35 (b) Following the work of the taskforce under this section, the  
 36 Department of Education shall present proposed changes in staff grades and

1 salaries to the Joint Budget Committee at the earliest opportunity for the  
 2 purpose of preparing suggested legislation to be approved by the General  
 3 Assembly.

4 (c) The Director of the Department of Education shall have the  
 5 authority to transfer any unclassified position to the Office of Public  
 6 School Accountability, or the Office of Public School Academic Facilities.

7 (d) The restructuring of the department shall be conducted in a manner  
 8 that will provide sufficient personnel within the department to provide  
 9 administrative and technology support the Office of Public School  
 10 Accountability, and the Office of Public School Academic Facilities at a  
 11 level that is sufficient for the offices to carry out the duties set forth in  
 12 this act.

13 (e) In the restructuring of the department the Director of the  
 14 department may require the Department of Education, the Office of Public  
 15 School Academic Facilities, and the Office of Public School Accountability to  
 16 coordinate and share certain administrative, custodial, legal, internal  
 17 finance, and other necessary personnel to effectuate the daily operations of  
 18 those offices and the department.

19  
 20 SECTION 20. EMERGENCY CLAUSE. It is found and determined by the  
 21 General Assembly of the State of Arkansas that the Arkansas Supreme Court in  
 22 Lake View School District No. 25 v. Huckabee, 351 Ark. 31 (2002) declared the  
 23 now existing system of education to be unconstitutional because it is both  
 24 inequitable and inadequate; and the Arkansas Supreme Court set forth the test  
 25 for a constitutional system to be one in which the state has an “absolute  
 26 duty” to provide an “equal opportunity to an adequate education”; and the  
 27 Arkansas Supreme Court instructed the General Assembly to define and provide  
 28 what is necessary to provide an adequate and equitable education for the  
 29 children of Arkansas. Therefore, an emergency is declared to exist and this  
 30 act being immediately necessary for the preservation of the public peace,  
 31 health, and safety shall become effective on:

32 (1) The date of its approval by the Governor;

33 (2) If the bill is neither approved nor vetoed by the Governor,  
 34 the expiration of the period of time during which the Governor may veto the  
 35 bill; or

36 (3) If the bill is vetoed by the Governor and the veto is

1 overridden, the date the last house overrides the veto.

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