State of Arkansas

## A Bill

Call Item 4
84th General Assembly
Second Extraordinary Session, 2003
HOUSE BILL 1123

By: Representatives Hathorn, Sullivan, Medley, Thyer, Scroggin

## For An Act To Be Entitled

AN ACT TO CREATE COUNTY SCHOOL DISTRICTS FOR ADMINISTRATIVE PURPOSES; TO PRESERVE LOCAL SCHOOL DISTRICTS AS SUBDISTRICTS; TO PROVIDE FOR THE CREATION OF A COUNTY SCHOOL DISTRICT BOARD OF DIRECTORS; AND FOR OTHER PURPOSES.

## Subtitle

TO CREATE COUNTY SCHOOL DISTRICTS FOR ADMINISTRATIVE PURPOSES; TO PRESERVE LOCAL SCHOOL DISTRICTS AS SUBDISTRICTS; AND TO PROVIDE FOR THE CREATION OF A COUNTY SCHOOL DISTRICT BOARD OF DIRECTORS.

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

SECTION 1. Arkansas Code Title 6, Chapter 13, is amended to add an additional subchapter to read as follows:

6-13-1801. Purpose.
The purpose of this subchapter is to reorganize the administration of school districts so that the administrative functions of all school districts in a county are combined into one (1) county school district, but the boundaries and school facilities of each existing local school district are maintained separately as a subdistrict of the county school district.

6-13-1802. Definitions.
For the purpose of this subchapter:
(1) "Average daily membership" means the total number of days attended plus the total number of days absent by students in grades kindergarten through twelve (K-12) during the first three (3) quarters of each school year divided by the number of school days actually taught in the district during that period of time rounded up to the nearest hundredth. As applied to this subchapter, students who may be counted for average daily membership are:
(A) Students who reside within the boundaries of the school district and who are enrolled in a public school operated by the district or a private school for special education students, with their attendance resulting from a written tuition agreement approved by the Department of Education;
(B) Legally transferred students living outside the district but attending a public school in the district; and
(C) Students who reside within the boundaries of the school district and who are enrolled in the Arkansas National Guard Youth Challenge Program, so long as the students are participants in the program;
(2) "Average daily membership of the subdistrict" means the total number of days attended plus the total number of days absent by students in grades kindergarten through twelve (K-12) during the first three (3) quarters of each school year divided by the number of school days actually taught in the subdistrict during that period of time rounded up to the nearest hundredth. As applied to this subchapter, students who may be counted for average daily membership are:
(A) Students who reside within the boundaries of the subdistrict and who are enrolled in a public school operated by the subdistrict or a private school for special education students, with their attendance resulting from a written tuition agreement approved by the Department of Education;
(B) Legally transferred students living outside the subdistrict but attending a public school in the subdistrict; and
(C) Students who reside within the boundaries of the subdistrict and who are enrolled in the Arkansas National Guard Youth Challenge Program, so long as the students are participants in the program;
(3) "Reorganization" or "reorganized" means the joining of two (2) or more school districts or parts thereof to create a new single school
district; and
(4) "State funds" means all money derived from state revenues and distributed through the Department of Education Public School Fund Account and the ad valorem property tax, up to the uniform rate of tax established under Arkansas Constitution, Amendment 74, distributed to the subdistrict.

6-13-1803. Reorganization in county school disricts.
(a)(1) Except as provided in subdivision (a)(2)(B) of this section, all school districts within a county shall be reorganized into a county school district for the purpose of administration of the school districts.
(2) A school district shall not be reorganized into a county school district if the school district:
(A) Has average daily membership meeting or exceeding three thousand $(3,000)$ for the 2003-2004 school year;
(B) Is the only school district with a principal
administrative office in the county on June 30, 2004; or
(C) Is subject to an existing court-order that is construed by the office of the Attorney General to prohibit the school district from becoming part of a county school district.
(b) A subdistrict created by this subchapter may include areas outside the boundary of the county if those areas were a part of the school district prior to reorganization under this subchapter.
(c) On July l, 2005, all school districts reorganized under this subchapter shall become subdistricts of the county school district.

6-13-1804. County school district administration.
(a) A county school district created under this subchapter shall have the same prerogatives, powers, duties, and privileges as provided by law for school districts in the state.
(b) A county school district board of directors created under this subchapter shall have the same prerogatives, powers, duties, and privileges as provided by law for school district boards of directors.
(c) (1) A county school district shall have only one (1) central administrative office, one (1) board of directors, and one (1) school district superintendent.
(2) A subdistrict shall not have a central administrative office, a board of directors, or a superintendent that performs duties that are not subject to the direction and control of the county school district or the county school district board of directors.
(d)(l) A school district may have an administrator with the title "subdistrict superintendent" who shall have the powers and duties traditionally held by a principal of a school.
(2) No subdistrict superintendent shall perform duties that are not subject to the direction and control of the county school district superintendent.
(3) Nothing in this subchapter shall be construed to require the salaries of the subdistrict superintendent to exceed the salary traditionally paid to school principals with similar duties.
(e)(1) For purposes of this subchapter, a school district shall be considered within a county if the school district's principal administrative office is located in the county on the effective date of this subchapter.
(2)(A) A school district with a principal administrative office located in one (1) county and a majority of the students attending the district residing in another county may, by a majority vote of the members of the local school board of directors, elect to join the county school district of either county.
(B) A school district board of directors electing, under subdivision (e)(2) of this section, to join the county school district of a county in which a majority of the school district's students reside shall file a written statement with the State Board of Education and the school apportionment board of all affected counties by July 1, 2004, setting forth the election.
(f) Any school district that is consolidated or annexed under another law prior to July 1, 2005, and is reorganized under this subchapter shall become a subdistrict of the county school district in the county where the resulting district's principal administrative office is located.

6-13-1805. Facilities in subdistricts.
(a) Except as provided under subsections (b) and (c) of this section, each subdistrict within the county school district shall continue to maintain separate boundaries, separate names, separate school facilities, and separate
athletic programs and other extracurricular activities, unless a closure of the subdistrict's facilities is approved by a majority of the electors of the subdistrict subject to closure.
(b)(l) The county school district board of directors may close the facilities of a subdistrict, with approval by a majority of the members of the county school district board of directors, if:
(A) The average daily membership of the subdistrict is less than three hundred fifty (350) students for the school year immediately preceding the date of proposed closure; and
(B) There is a distance of less than twelve (12) miles of hard-surfaced highway from the school facility subject to closure to the nearest adjacent school facility for the same grade level in an adjoining subdistrict.
(2) However, the county board of directors may close the subdistrict's facilities with approval of at least two-thirds (2/3) of the members of the county school district board of directors if the county school board of directors determines that the county school district will suffer unreasonable financial burden and the following conditions are met:
(A) The county school district continues to maintain separate facilities for a subdistrict with an average daily membership of the subdistrict that is less than five hundred (500) students for the school year immediately preceding the date of proposed closure; and
(B) There is less than fifteen (15) miles of hard-surfaced highway from the school facility subject to closure to the nearest adjacent school facility for the same grade level in the adjoining subdistrict.
(c) After July 1, 2005, the county school district board of directors may allow a subdistrict to reorganize with a subdistrict in another county if the reorganization is approved by an affirmative vote of a majority of the members of the county board of directors of each affected school district.
(d) Any funds collected from private donations or fundraisers to support activities of a school district prior to reorganization under this act or for a subdistrict created under this subchapter shall remain the sole and separate property of the subdistrict for which it was collected.

6-13-1806. Creation of election zones - School district apportionment committee.
(a)(1) There is established for each county a school district apportionment committee.
(2) The school district apportionment committee for each county shall be made up of:
(A) The president of each local school board of directors, or his or her designee who shall be a member of the local school board; and
(B) The county election commission.
(b) The Secretary of State and the school district apportionment committee shall jointly determine if the county school district shall be divided into seven (7), nine (9), or eleven (11) election zones for the election of members of the county school district board of directors.
(c) The Secretary of State shall be responsible for initially dividing each county into the number of election zones decided upon under subsection (b) of this section for the election of members of the county school district board of directors.
(d) By August 1, 2004, the Secretary of State shall deliver to each county school district apportionment committee a map or maps showing a preliminary initial districting plan, or alternative plans.
(e)(1) The initial election zones shall be established on the basis of population.
(2)(A) Each election zone shall have a population as nearly equal as practicable to the ideal population for such election zones, determined by dividing the number of election zones to be established into the population of the county reported in the federal decennial census.
(B) Election zones shall not vary in population from the respective ideal election zone populations except as necessary to comply with one of the other standards enumerated in this section.
(C) In no case shall the quotient, obtained by dividing the total of the absolute values of the deviations of all election zone populations from the applicable ideal election zone population by the number of districts established, exceed one percent (1\%) of the applicable ideal election zone population.
(D) No election zone shall have a population that exceeds that of any other election zone by more than five percent (5\%).
(3)(A) To the extent consistent with subdivision (e)(2) of this section, election zone boundaries shall coincide with the boundaries of
political subdivisions of the county school district boundaries.
(B) Census blocks may not be divided. The number of cities and towns divided among more than one (l) election zone shall be as small as possible.
(C) When there is a choice between dividing local political subdivisions, the more populous subdivisions shall be divided before the less populous.
(4) Election zones shall be composed of convenient contiguous territory. Areas that meet only at the points of adjoining corners are not contiguous.
(5) It is preferable that election zones be compact in form, but the standards established by subdivisions (e)(2) through (e)(4) of this section take precedence over compactness where a conflict arises between compactness and these standards.
(6)(A) No election zone shall be drawn for the purpose of favoring a currently incumbent board member or other person or group, or for the purpose of augmenting or diluting the voting strength of a language or racial minority group.
(B) In establishing districts, no use shall be made of any of the following data:
(i) Addresses of incumbent board members;
(ii) Political affiliations of registered voters;
(iii) Previous election results; or
(iv) Demographic information, other than population head counts, except as required by the state or federal Constitutions and the laws of the United States.
(f)(1) The school district apportionment committee shall review the plan submitted by the Secretary of State and shall call at least one (l) public hearing in a county seat city to hear public comment on the plan, pursuant to public notice published in a newspaper of general circulation in the county.
(2) Not later than thirty (30) days after the receipt of the plan from the Secretary of State, each school district apportionment committee shall make a report recommending any changes it deems should be made in the plan.
(g) The Secretary of State shall make any changes recommended by the
school district apportionment committee that meet the criteria set out in subdivisions (e)(2) through (e)(6) of this section.
(h) By January 1, 2005, the Secretary of State shall file with the county clerk of each county a certified copy of the districting plan.
(i)(1) Original jurisdiction to contest the plan of apportionment filed by the Secretary of State is vested in the circuit court of the affected county.
(2) Any such contest shall be filed within thirty (30) calendar days after the plan is filed with the county clerk.

6-13-1807. Organization of county school districts.
(a)(1) The county election commission of each county with a school district reorganized under this subchapter shall call for and take all necessary actions to cause a special election to be held by the second Tuesday in April of 2005, for the purpose of electing a single resident from each election zone to serve on the county school board of directors.
(2) The members of each county school district board elected in the special election pursuant to subdivision (a)(1) of this section shall take office on May 1,2005 , to serve until board members are elected at the 2006 annual school election.
(3) Members of the county school district elected during the special election pursuant to subdivision (a)(l) of this section may be reelected to continue to serve on the countywide school district board.
(b) The county school district board of directors shall develop a plan for the operation of the county school district and hire a superintendent for the county school district by July 1, 2005.
(c) If a county school district board of directors fails to comply with the requirements of this subchapter, the State Board of Education may receive and hear petitions or move on its own motion to create county school districts in such a timeframe to comply with the provisions of this subchapter.
(d)(1) The local school board of directors of a school district reorganized under this subchapter shall be abolished effective at midnight on June 30, 2005.
(2) The county school districts created under this subchapter are created effective July 1, 2005.
(e) The ad valorem tax rate of a county school district shall be as provided by law.
(f)(1) All funding received by the county school district shall follow the student for which the funding was received. This means that any funding based upon average daily membership shall be distributed to the subdistrict based upon the subdistrict's average daily membership.
(2) The costs and expenses of the county school district administration shall be divided among the subdistricts served by the county school district in direct proportion to the amount of state funds received by each subdistrict.

6-13-1808. Isolated subdistricts.
Any subdistrict that was entitled to receive funding as an isolated school district prior to reorganization under this subchapter shall continue to receive funding as a subdistrict as provided by law for school districts or subdistricts.

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    6-13-1809. Reorganization with school districts in academic or fiscal
distress.
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(a) A school district reorganized into a county school district with a school district designated by the State Board of Education as being in academic or fiscal distress shall not be subject to academic or fiscal distress sanctions.
(b) A subdistrict that was previously designated by the State Board of Education as a school district in academic or fiscal distress shall continue to be subject to the same sanctions and provisions as if the school district had not been reorganized.

6-13-1810. The State Board of Education shall promulgate rules and regulations necessary to implement the provisions of this subchapter.

SECTION 2. Arkansas Code § 6-17-301, concerning employment of certified personnel, is amended to add an additional subsection to read as follows:
(e) Any employment contract entered into, after the effective date of this subsection, by a school board of directors or school district shall
contain a provision that allows the contract to be voided by any party to the contract if the school district is consolidated or reorganized by state law and the contracting school district no longer exists as a separate legal entity after the consolidation or reorganization.

SECTION 3. Effective July 1, 2005, Arkansas Code § 6-20-303(14), concerning definitions for school funding, is amended to read as follows:
(14) "Isolated funding" means the state financial aid provided to local school districts or subdistricts with an average daily membership of fewer than three hundred fifty (350) from funds made available for that purpose and which is calculated as follows:
(A) (350-Previous year's average daily membership) divided by eight hundred fifty (850) times previous year's average daily membership times the base local revenue per student;
(B) Local school districts or subdistricts with an average daily membership density of less than one and two tenths (1.2) shall receive additional funds equal to fifty percent (50\%) of aid received under subdivision (14)(A) of this section;
(C) For the purpose of calculating isolated funding, any local school district or subdistrict that has an average daily membership density greater than 5.0 shall be excluded. Provided, however, if a local school district or subdistrict has a local revenue per student less than sixty percent (60\%) of the effective average, it shall receive isolated funding;
(D) No school district or subdistrict shall receive less isolated funding in future years than the district received during the 19961997 school year because of subdivision (14)(C) of this section; and
(E) If the statewide amount for isolated funding calculated pursuant to this section is less than the amount appropriated for isolated funding, the state board may include a funding factor to the calculation in subdivision (14)(A) of this section in order to expend up to the appropriated amount;

SECTION 4. Effective July 1, 2005, Arkansas Code § 6-20-601 is amended to read as follows:

6-20-601. Qualifications for receiving isolated funding.
(a) As used in this section, "isolated school district" or "isolated subdistrict" means a school district or subdistrict that meets any four (4) of the following five (5) criteria:
(1) There is a distance of twelve (12) miles or more by hardsurfaced highway from the high school of the district or subdistrict to the nearest adjacent high school in an adjoining district or subdistrict;
(2) The density ratio of transported students is less than three (3) students per square mile of area;
(3) The total area of the district or subdistrict is ninety-five square miles ( $95 \mathrm{sq} . \mathrm{mi}$. ) or greater;
(4) Less than fifty percent (50\%) of bus route miles is on hardsurfaced roads; and
(5) There are geographic barriers such as lakes, rivers, and mountain ranges which would impede travel to schools that otherwise would be appropriate for consolidation, cooperative programs, and shared services.
(b) An isolated school district or isolated subdistrict shall be eligible to receive isolated funding if:
(1) The district's budget or the subdistrict's budget is prepared by the local district with Department of Education approval;
(2) The district or the subdistrict has an average daily membership of less than three hundred fifty (350); and
(3) The district or the county school district in which the subdistrict is located meets the minimum standards for accreditation of public schools prescribed by law and regulation.
(c) Any school district or subdistrict designated as an isolated school district for the 1996-1997 fiscal year that used geographic barriers as one (1) of the four (4) criteria necessary to receive isolated funding shall be allowed to continue to use geographic barriers as a criterion for future allocations of isolated funding.
(d)(1) State financial aid in the form of isolated funding shall be provided to local school districts or subdistricts qualifying under this section and shall be calculated as follows:
(350-Previous year's average daily membership) divided by eight hundred fifty (850) times the previous year's average daily membership times the base local revenue per student.
(2) There shall be two (2) categories of isolated funding:
(A) Category I isolated funding shall be provided to all school districts or subdistricts that qualify under this section; and
(B) Category II isolated funding shall be further provided to those school districts or subdistricts that qualify under this section and have an average daily membership density ratio of less than 1.2 students per square mile and shall be calculated at fifty percent (50\%) of Category I funding.
(3) Those school districts or subdistricts that qualify under this section and whose local revenue per student exceeds the base local revenue per student shall receive isolated funding calculated as follows: (Category I plus Category II) minus (base local revenue per student minus local revenue per student) times the previous year's average daily membership.
(4) In the event that the statewide amount for isolated funding calculated pursuant to this section is less than the amount appropriated for isolated funding, the State Board of Education may include a funding factor in the calculation in § 6-20-303(14)(A) in order to expend up to the appropriated amount.
(e) No school district or subdistrict which may qualify under other law to receive additional state aid because its average daily membership is less than three hundred fifty (350) shall be eligible to receive funding under this section except that a district qualifying under other law for such aid and qualifying for funds under this section may elect to receive funds under this section in lieu of aid under the other.
(f) Any funding an isolated subdistrict receives under this section or other isolated district funding provisions shall be used solely for the isolated subdistrict.

SECTION 5. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the Arkansas Supreme Court in Lake View School District No. 25 v. Huckabee, 351 Ark. 31 (2002) declared the current system of education in the state to be unconstitutional because it is both inequitable and inadequate; 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"; the Arkansas Supreme Court instructed the General Assembly to undertake

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actions as necessary to provide an opportunity for an adequate and equitable
education for the children of Arkansas; and the provisions of this act are
necessary steps toward accomplishing that mandate. Therefore, an emergency
is declared to exist and this act being immediately necessary for the
preservation of the public peace, health, and safety shall become effective
on:
    (1) The date of its approval by the Governor;
    (2) If the bill is neither approved nor vetoed by the Governor,
the expiration of the period of time during which the Governor may veto the
bil1; or
    (3) If the bill is vetoed by the Governor and the veto is
overridden, the date the last house overrides the veto.
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