

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

Call Item 4

# A Bill

SENATE BILL 47

5 By: Senator Wilkins  
6  
7

## For An Act To Be Entitled

9 AN ACT TO PROVIDE EQUITABLE FUNDING TO PUBLIC  
10 SCHOOLS; TO PROVIDE A SYSTEM FOR MONITORING  
11 PUBLIC SCHOOL EXPENDITURES; AND FOR OTHER  
12 PURPOSES.  
13

## Subtitle

15 THE EQUITABLE PUBLIC SCHOOL FUNDING ACT  
16 OF 2003.  
17  
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
20

21 SECTION 1. Arkansas Code Title 6, Chapter 20, is amended to read as  
22 follows:

23 6-20-2001. Title.

24 This subchapter shall be known and may be cited as the "Equitable  
25 Public School Funding Act of 2003".  
26

27 6-20-2002. Legislative findings.

28 (a) The General Assembly recognizes that:

29 (1) Intelligence and virtue are the safeguards of liberty and  
30 the bulwark of a free and good government; and

31 (2) The Arkansas Constitution, Article 14, § 1, requires the  
32 state to ever maintain a general, suitable, and efficient system of free  
33 public schools and to adopt all suitable means to secure to the people the  
34 advantages and opportunities of education.

35 (b) The General Assembly finds that because of the decision of the  
36 Arkansas Supreme Court in November 2002 in the case of Lake View v. Huckabee,



1 et al., it is the absolute duty of the State of Arkansas to provide all  
2 public school children with an opportunity for an adequate education.

3 (c) The General Assembly finds that a suitable and efficient system of  
4 public education should:

5 (1) Assure the availability of substantially equal and  
6 constitutionally appropriate expenditures by the state for the education of  
7 each similarly situated child in the public schools, regardless of where that  
8 child resides within the state;

9 (2) Assure that each school-age child resides in a school  
10 district that offers a competitive minimum salary for classroom teachers;

11 (3) Assure:

12 (A) That all students graduating from high school are able  
13 to demonstrate a defined adequate level of competence in:

14 (i) English communications, oral, reading, and  
15 writing;

16 (ii) Mathematics skills; and

17 (iii) Science and social studies disciplines; and

18 (B) That an adequate level of competence evolves over time  
19 to higher levels;

20 (4) Assure that students with disabilities have the opportunity  
21 to graduate from high school by demonstrating alternative competencies or  
22 alternative levels of competency;

23 (5) Assure that students who are not on track for high school  
24 graduation are identified at a sufficiently early date so that they may be  
25 provided an opportunity at a reasonable cost to achieve the minimum levels of  
26 competence necessary to graduate from high school;

27 (6) Recognize that graduating from high school requires that the  
28 student, as well as the parents or guardian of the student, work hard and  
29 assume appropriate responsibility for the student's success or failure;

30 (7) Encourage parental involvement in the public schools and in  
31 public school activities; and

32 (8) Recognize that early attention to and correction of student  
33 deficiencies are substantially less expensive and more effective than  
34 remedial efforts in the later school grades.

35 (d) The General Assembly recognizes that the supervision of public  
36 schools and the execution of the laws regulating the schools shall be vested

1 in such officers as the General Assembly provides.

2 (e) It is the intent of this subchapter to provide a system of school  
3 funding that provides to each public school child in the State of Arkansas an  
4 opportunity for an adequate education.

5  
6 6-20-2003. Definitions.

7 As used in this subchapter:

8 (1) "Additional education categories" means state funds  
9 distributed to school districts for alternative learning environments,  
10 English language learners, national school lunch students, professional  
11 development and technology;

12 (2) "Alternative learning environment" means a student  
13 intervention program in compliance with §§ 6-18-508 and 6-18-509 that seeks  
14 to eliminate traditional barriers to learning for students and includes a  
15 component for the education of gifted and talented students;

16 (3)(A) "Average daily membership" means the total number of days  
17 of school attended plus the total number of days absent by students in grades  
18 kindergarten through twelve (K-12) during the first three (3) quarters of  
19 each school year divided by the number of school days actually taught in the  
20 school district during that period of time rounded up to the nearest  
21 hundredth.

22 (B) In those instances in which the average daily  
23 membership for less than three (3) quarters is specified, the number of days  
24 used in the calculation shall be the days in the specified period of time.

25 (C) As applied to this subchapter, students who may be  
26 counted for average daily membership are:

27 (i) Students who reside within the boundaries of the  
28 school district and who are enrolled in a public school operated by the  
29 school district or a private school for special education students, with  
30 their attendance resulting from a written tuition agreement approved by the  
31 Department of Education;

32 (ii) Legally transferred students living outside the  
33 school district but attending a public school in the school district; and

34 (iii) Students who are eligible to attend and reside  
35 within the boundaries of a school district and who are enrolled in the  
36 Arkansas National Guard Youth Challenge Program, so long as the students are

1 participants in the program;

2 (4) "Classroom teacher" means:

3 (A) An individual who is required to hold a teaching  
4 license from the department and who is engaged directly in instruction with  
5 students in a classroom setting for more than seventy percent (70%) of the  
6 individual's contracted time;

7 (B) A guidance counselor; or

8 (C) A librarian;

9 (5) "English language learners" means students identified by the  
10 State Board of Education as not proficient in the English language based upon  
11 approved English proficiency assessment instruments administered annually in  
12 the fall of the current school year, which assessments measure oral, reading,  
13 and writing proficiency;

14 (6) "Foundation funding" means an amount of money specified by  
15 the General Assembly for each school year to be expended by school districts  
16 for the provision of an adequate education for each student;

17 (7) "Legal revenues" means the revenues of a school district  
18 including current balances, unrestricted state and local funding for the  
19 current school year, proceeds from a revolving loan pursuant to § 6-20-801 et  
20 seq., proceeds from commercial bonds pursuant to § 6-20-1201 et seq., and  
21 proceeds from funding pursuant to § 6-20-402;

22 (8) "Mandatory callable bonds" means a bond issue in which all  
23 net proceeds from debt service millage used to secure the issuance of that  
24 bond must be applied to payment of the issue and cannot be used for any other  
25 purposes;

26 (9) "Millage rate" means the millage rate listed in the most  
27 recent tax ordinance approved by the county quorum court under the authority  
28 of § 14-14-904;

29 (10) "Miscellaneous funds" means those average funds collected  
30 in the previous five (5) school years or previous school year, whichever is  
31 less, from funds received by a school district from federal forest reserves,  
32 federal grazing rights, federal mineral rights, federal impact aid, federal  
33 flood control, wildlife refuge funds, severance taxes, funds received by the  
34 school district in lieu of taxes, and local sales and use taxes dedicated to  
35 education pursuant to §§ 26-74-201 et seq., 26-74-301 et seq., 26-75-301 et  
36 seq., and 14-164-301 et seq.;

1           (11) "National school lunch students" means those students from  
2 low socio-economic backgrounds as indicated by eligibility for free or  
3 reduced-priced meals under the National School Lunch Act as calculated on  
4 October 1 of each year and submitted to the department in the Arkansas public  
5 school computer network cycle two report;

6           (12) "Previous year" means the school year immediately preceding  
7 the school year in which funds are allocated;

8           (13)(A) "Professional development" means a coordinated set of  
9 planned learning activities for teachers and administrators that are  
10 standards-based.

11           (B) Professional development shall result in individual,  
12 school-wide, and system-wide improvement designed to ensure that all students  
13 demonstrate proficiency in the state academic standards;

14           (14) "School district" means a geographic area with an elected  
15 board of directors that qualifies as a taxing unit for purposes of ad valorem  
16 property taxes under § 26-1-101 et seq. and which board conducts the daily  
17 affairs of public schools pursuant to the supervisory authority vested in it  
18 by the General Assembly and Title 6 of the Arkansas Code;

19           (15) "Special education catastrophic occurrences" means  
20 individual cases where special education and related services required by the  
21 individualized education program of a particular student with disabilities  
22 are unduly expensive, extraordinary, or beyond the routine and normal costs  
23 associated with special education and related services provided by a school  
24 district and funding is pursuant to rules promulgated by the state board;

25           (16) "State foundation funding aid" means the amount of state  
26 financial aid provided to each school district and computed as the difference  
27 between the foundation funding amount established by the General Assembly and  
28 the sum of ninety-eight percent (98%) of the uniform rate of tax times the  
29 property assessment of the school district plus seventy-five percent (75%) of  
30 miscellaneous funds of the school district;

31           (17) "Student growth funding" means the amount of state  
32 financial aid provided to each school district from the funds made available  
33 for that purpose calculated as the amount of state foundation funding aid per  
34 student multiplied by the increase, if any, in the school district's two-  
35 quarter average of the average daily membership of the current school year  
36 over the local school district's average daily membership for the previous

1 school year;

2 (18) "Technology" means any equipment for instructional purposes  
3 that is electronic in nature, including, but not limited to, computer  
4 hardware, computer software, internet connectivity, and distance learning;  
5 and

6 (19) "Uniform rate of tax" means a uniform rate of ad valorem  
7 property tax of twenty-five (25) mills to be levied on the assessed value of  
8 all taxable real, personal, and utility property in the state to be used  
9 solely for the maintenance and operation of the schools as required by  
10 Amendment 74 of the Arkansas Constitution.

11  
12 6-20-2004. Liberal construction.

13 All general provisions, terms, phrases, and expressions used in this  
14 subchapter or any related provisions of the Arkansas Code shall be liberally  
15 construed so as to effectuate the purposes of this subchapter.

16  
17 6-20-2005. Miscellaneous.

18 The State Board of Education shall have authority, acting pursuant to  
19 its rule-making powers, to adopt regulations for the implementation of the  
20 provisions of this subchapter.

21  
22 6-20-2006. School funding.

23 (a)(1) For each school year, a school district shall receive state  
24 foundation funding aid computed as the difference between the foundation  
25 funding amount established by the General Assembly and the sum of ninety-  
26 eight percent (98%) of the uniform rate of tax times the property assessment  
27 of the school district plus seventy-five percent (75%) of miscellaneous funds  
28 of the school district.

29 (2) For the 2004-2005 school year, the foundation funding amount  
30 is five thousand six hundred dollars (\$5,600) times the average daily  
31 membership.

32 (b)(1) In addition to state foundation funding aid, each school  
33 district shall receive funding for additional education categories as  
34 provided in subdivisions (b)(2) through (b)(6) of this section.

35 (2)(A) For the 2004-2005 school year, alternative learning  
36 environment funding shall be two thousand three hundred ninety-six dollars

1 (\$2,396) for each identified alternative learning environment student.

2 (B) Funding for students in alternative learning  
3 environments shall be distributed based on rules promulgated by the State  
4 Board of Education.

5 (3)(A) For the 2004-2005 school year, the English language  
6 learners funding shall be one hundred eighty-five dollars (\$185) for each  
7 identified English language learner.

8 (B) Funding for English language learner students shall be  
9 distributed to school districts for students who have been identified as not  
10 proficient in the English language based upon a state-approved English  
11 proficiency assessment instrument.

12 (C) Funds allocated for English language learners to  
13 school districts under this subchapter shall be expended only for eligible  
14 activities as identified in current rules promulgated by the state board.

15 (4)(A) For the 2004-2005 school year, national school lunch  
16 student funding for each identified national school lunch student shall be as  
17 follows:

18 (i) For districts in which ninety-one percent (91%)  
19 or greater of the enrolled students are national school lunch students,  
20 funding shall be seven hundred twenty dollars (\$720);

21 (ii) For districts in which at least eighty-one  
22 (81%) but less than ninety-one percent (91%) of the grades kindergarten  
23 through six (k-6) enrolled students are national school lunch students,  
24 funding shall be six hundred seventy-two dollars (\$672);

25 (iii) For districts in which at least seventy-one  
26 (71%) but less than eighty-one percent (81%) of the grades kindergarten  
27 through six (k-6) enrolled students are national school lunch students,  
28 funding shall be six hundred twenty-four dollars (\$624);

29 (iv) For districts in which at least sixty-one  
30 percent (61%) but less than seventy-one percent (71%) of the grades  
31 kindergarten through six (k-6) enrolled students are national school lunch  
32 students, funding shall be five hundred seventy-six dollars (\$576);

33 (v) For districts in which at least fifty-one  
34 percent (51%) but less than sixty-one percent (61%) of the grades  
35 kindergarten through six (k-6) enrolled students are national school lunch  
36 students, funding shall be five hundred twenty-eight dollars (\$528); or

1                   (vi) For districts in which fifty (50%) or less of  
2 the grades kindergarten through six (k-6) enrolled students are national  
3 school lunch students, funding shall be four hundred and eighty dollars  
4 (\$480).

5                   (B) Funding for national school lunch students shall be  
6 based on the number of students eligible for the free or reduced-price lunch  
7 program under the National School Lunch Act identified on the Arkansas public  
8 school computer network cycle two report.

9                   (5)(A) Professional development funding for the 2004-2005 school  
10 year shall be equal to fifty dollars (\$50.00) times the school district's  
11 prior school year average daily membership.

12                   (B) Funding for professional development for teachers in  
13 Arkansas public schools may be used for professional development training  
14 conferences, materials, and other professional development activities as  
15 outlined in rules promulgated by the state board.

16                   (6)(A) Technology support funding for the 2004-2005 school year  
17 shall be equal to two hundred fifty dollars (\$250) times the school  
18 district's prior school year average daily membership.

19                   (B) Funding for technology may include, but is not limited  
20 to, purchases of hardware, software, technology training, technology  
21 infrastructure, electronic learning devices, training materials, technology  
22 textbooks, and courses.

23                   (C) Unexpended technology funds may be carried forward for  
24 up to two (2) school years based on needs identified in the school district's  
25 technology plan.

26                   (c)(1) General facilities funding, isolated funding under § 6-20-601,  
27 student growth funding, special education-catastrophic occurrences, and all  
28 other line item funding shall be allocated and funded to school districts  
29 pursuant to law and rules governing the funding and from available funds in a  
30 line item appropriation within the Public School Fund.

31                   (2) A school district shall only use general facilities funding  
32 for:

33                   (A) The purchase of school buses, furniture, equipment,  
34 and computer software;

35                   (B) The renovation or repairs of existing facilities; or

36                   (C) The repayment of commercial bonds or revolving loans.



1       (d) The sum of subsections (a)--(c) of this section shall be the total  
2 state aid allocated and funded to school districts.

3       (e) Funds distributed to school districts under subsection (b) of this  
4 section shall be expended only for students in those categories under rules  
5 promulgated by the state board.

6  
7       6-20-2007. Department of Education to provide funding -- Adjustments  
8 for overpayments.

9       (a) If the Department of Education determines that an overpayment has  
10 been made to a school district under any appropriation authorized by this  
11 subchapter, the department is authorized to:

12               (1) Withhold the overpayment from subsequent state funding;

13               (2) To transfer the amount withheld for the overpayment to the  
14 line item appropriation from which the overpayment was initially made; and

15               (3) To request a refund from the school district in the amount  
16 of the overpayment.

17       (b) The school district shall comply as directed by the department.

18  
19       6-20-2008. Monitoring of expenditures.

20       (a) The General Assembly determines that although funds may be  
21 distributed to school districts under this subchapter, it is the duty and  
22 responsibility of the State of Arkansas to monitor such expenditures to  
23 ensure that each public school child in Arkansas is provided with an adequate  
24 education.

25       (b) Each school district shall ensure that funds distributed by the  
26 State of Arkansas to the district are utilized in an efficient manner in  
27 order to provide an adequate education.

28       (c) Each school district shall:

29               (1) Expend sums for teacher salaries in order to meet the  
30 requirements of Arkansas law;

31               (2)(A) Expend the sums allocated to the school district under  
32 each category of additional educational categories solely and exclusively for  
33 salaries and other instructional aid components to benefit the students in  
34 the categories within the school district.

35               (B) The school district shall further ensure that those  
36 sums are used to improve the educational opportunity of those children, with

1 a primary emphasis on improving each student's proficiency;

2 (3) Expend other sums as may be allocated under this subchapter  
3 and as may be required by law in order to provide an equal opportunity for an  
4 adequate education;

5 (4) Ensure that sums appropriated by law and allocated to the  
6 school district are used to meet standards for accreditation and to provide  
7 the required curriculum for all students in the district; and

8 (5) Ensure that sums allocated for facilities or other capital  
9 needs are spent in accordance with law.

10 (d)(1) During the appropriate Arkansas public school computer network  
11 reporting cycle each year, each school district shall submit appropriate data  
12 to the Department of Education establishing the school district's compliance  
13 with this section.

14 (2) The data shall be timely, accurate, and in the format  
15 required by rules promulgated by the State Board of Education.

16 (3) The data reported shall reflect the expenditure of each  
17 category of additional education categories.

18 (4) Reports for each school district shall be developed by the  
19 department and transmitted to the Governor, the Senate Interim Committee on  
20 Education, and the House Interim Committee on Education.

21  
22 6-20-2009. Other requirements for state aid.

23 In order for a school district to be entitled to state aid under the  
24 provisions of this subchapter, each school district shall:

25 (1) Expend in a school year no more than the legal revenues that  
26 are available for the school year to the school district as determined by  
27 state law or regulation of the State Board of Education;

28 (2) Maintain records and make reports concerning attendance,  
29 receipts, disbursements, and any other reports required by the Department of  
30 Education for the administration of this subchapter;

31 (3) Maintain proper financial records in accordance with the  
32 department's school accounting manual and regulations promulgated by the  
33 state board;

34 (4) Annually file with the state board a salary schedule for the  
35 school district's certified employees that recognizes a minimum level of  
36 training and experience. The schedule shall reflect the actual pay practices

1 of the school district. Salary increments for experience or education, or  
 2 both, shall be identified on the schedule; and

3 (5)(A) Maintain all pupil attendance records in their original  
 4 form, either on paper or in an electronic format furnished or approved by the  
 5 department and in accordance with law and regulations. The records shall be  
 6 available for monitoring purposes during any day of the school term by the  
 7 teachers or other persons designated to keep attendance.

8 (B) Original attendance records shall be kept on file in  
 9 the office of the superintendent of the school district after the school term  
 10 is ended for a period of three (3) years.

11  
 12 6-20-2010. Computation of classroom teacher salaries.

13 School districts may not include the cost of substitute teachers,  
 14 extended contracts for extracurricular activities, or supplementary pay for  
 15 extracurricular activities in meeting the expenditure requirements for  
 16 classroom teacher salaries pursuant to § 6-17-2301 et seq.

17  
 18 6-20-2011. Calculation and disbursement of funds authorized.

19 (a) On or before July 1 of every school year, the Department of  
 20 Education shall establish a schedule of payments to school districts of funds  
 21 authorized under this subchapter.

22 (b) The department shall calculate the amount of funds authorized by  
 23 this subchapter:

24 (1) At the beginning of the school year;

25 (2) At any point during the school year for the purpose of  
 26 making corrections for clerical errors and student growth; and

27 (3) At the end of the school year for the purpose of settling  
 28 amounts due to school districts under this subchapter.

29 (c) If statistical data required by this subchapter is not available  
 30 at the time the data is required for calculations, or if the school program  
 31 is disrupted for any cause not controlled by the local board of education,  
 32 the State Board of Education develop procedures that will ensure that the  
 33 provisions of this subchapter are properly enforced.

34  
 35 SECTION 2. Arkansas Code § 6-23-501(a), concerning funding for open-  
 36 enrollment charter schools, is amended to read as follows:

1 (a)(1) An open-enrollment charter school shall receive funds equal to  
 2 the amount that the open-enrollment charter school would receive under §§ 6-  
 3 20-2001 through 6-20-2011 if it were treated as a public school within a  
 4 school district the minimum state and local revenue per average daily  
 5 membership as defined in § 6-20-303.--

6 (2) Funding for an open-enrollment charter school shall be based  
 7 upon the current year three-quarter average daily membership of the open-  
 8 enrollment charter school as follows:

9 (A) The initial funding estimate for each school year  
 10 shall be based on enrollment as of April 15 preceding the school year in  
 11 which the students are to attend;

12 (B) In December, funding will be adjusted based on the  
 13 first quarter average daily membership; and

14 (C) A final adjustment will be made after the current year  
 15 three-quarter average daily membership is established.

16 (3) Funding for an open-enrollment charter school shall be paid  
 17 in twelve (12) equal installments each fiscal year.

18  
 19 SECTION 3. Arkansas Code Title 6, Chapter 20, Subchapter 3 is  
 20 repealed.

21 ~~6-20-301. Title.~~

22 ~~This subchapter shall be known as the "Equitable School Finance System~~  
 23 ~~Act of 1995".~~

24  
 25 ~~6-20-302. Legislative findings.~~

26 ~~(a) The General Assembly recognizes that intelligence and virtue are~~  
 27 ~~the safeguards of liberty and the bulwark of a free and good government and~~  
 28 ~~that the Arkansas Constitution, Article 14, § 1 requires the state to ever~~  
 29 ~~maintain a general, suitable, and efficient system of free public schools and~~  
 30 ~~to adopt all suitable means to secure to the people the advantages and~~  
 31 ~~opportunities of education.~~

32 ~~(b) The General Assembly finds that the education of the children of~~  
 33 ~~this state is best secured by maintaining as much local control over the day-~~  
 34 ~~to-day management of school operations as is consistent with state~~  
 35 ~~constitutional requirements, and it is the intent of this subchapter to~~  
 36 ~~maintain and foster such local control consistent with the state's~~

1 ~~constitutional mandate to assure suitability and efficiency in the public~~  
 2 ~~school system.~~

3 ~~(c) The General Assembly finds that a suitable and efficient system of~~  
 4 ~~public education should:~~

5 ~~(1) Assure the availability of substantially equal and~~  
 6 ~~constitutionally appropriate revenue for the education of each similarly~~  
 7 ~~situated child in the public schools, regardless of where that child resides~~  
 8 ~~within the state;~~

9 ~~(2) Assure that each school age child resides in a school~~  
 10 ~~district that offers a competitive minimum salary for classroom teachers;~~

11 ~~(3) Assure that there is incentive and opportunity for patrons~~  
 12 ~~of each school district to provide a greater degree of financial support for~~  
 13 ~~students of the district than may be provided in other districts;~~

14 ~~(4) Assure that:~~

15 ~~(A) All students graduating from high school are able to~~  
 16 ~~demonstrate a defined minimum level of competence in:~~

17 ~~(i) English communications, oral, reading, and~~  
 18 ~~writing;~~

19 ~~(ii) Mathematics skills; and~~

20 ~~(iii) Science and social studies disciplines; and~~

21 ~~(B) Such minimum level of competence evolves over time to~~  
 22 ~~higher levels;~~

23 ~~(5) Assure that students with disabilities have the opportunity~~  
 24 ~~to graduate from high school by demonstrating alternative competencies or~~  
 25 ~~alternative levels of competency;~~

26 ~~(6) Assure that students who are not on track for high school~~  
 27 ~~graduation are identified at a sufficiently early date that they may be~~  
 28 ~~provided an opportunity at a reasonable cost to achieve the minimum levels of~~  
 29 ~~competence necessary to graduate from high school;~~

30 ~~(7) Recognize that graduating from high school requires that the~~  
 31 ~~student, as well as the parent, parents, or guardian of the student, work~~  
 32 ~~hard and assume appropriate responsibility for the student's success or~~  
 33 ~~failure;~~

34 ~~(8) Encourage parental involvement in the public schools and~~  
 35 ~~public school activities;~~

36 ~~(9) Recognize that public schools must provide a safe,~~

1 ~~disciplined, and drug-free environment for students and teachers;~~

2 ~~(10) Avoid disproportionate variances among school districts in~~  
3 ~~the financial support burden imposed on taxpayers;~~

4 ~~(11) Avoid unnecessary duplication of administrative and~~  
5 ~~operational expenses;~~

6 ~~(12) Avoid disproportionate variances among school districts in~~  
7 ~~the use of classroom teachers and capital resources; and~~

8 ~~(13) Recognize that early attention to and correction of student~~  
9 ~~deficiencies are substantially less expensive and more effective than~~  
10 ~~remedial efforts in the later school grades.~~

11 ~~(d)(1) The General Assembly acknowledges that the Arkansas~~  
12 ~~Constitution requires the state to provide a general, suitable, and efficient~~  
13 ~~system of free public schools.~~

14 ~~(2) Such obligation has been held by the Arkansas courts to be a~~  
15 ~~paramount duty of the state.~~

16 ~~(e) The General Assembly recognizes that the supervision of public~~  
17 ~~schools and the execution of the laws regulating the schools shall be vested~~  
18 ~~in such officers as the General Assembly provides.~~

19 ~~(f) The state has a limited pool of resources to provide a general,~~  
20 ~~suitable, and efficient system of free public schools.~~

21 ~~(g) The state recognizes the importance of local decision-making in~~  
22 ~~the education process.~~

23  
24 ~~6-20-303. Definitions.~~

25 ~~As used in this subchapter, unless the context otherwise requires:~~

26 ~~(1) "Additional base funding" means the state funding to local~~  
27 ~~school districts to ensure that a local school district's total state and~~  
28 ~~local revenue per average daily membership is no less than the minimum state~~  
29 ~~and local revenue per average daily membership;~~

30 ~~(2) "Additional mills for maintenance and operation" means~~  
31 ~~millage levied by the electors of a local school district for maintenance and~~  
32 ~~operation in excess of those allocated to the uniform rate of tax;~~

33 ~~(3) "Alternative learning environment" means an intervention~~  
34 ~~program in compliance with §§ 6-18-508 and 6-18-509 that seeks to eliminate~~  
35 ~~traditional barriers to learning for students and includes a component for~~  
36 ~~the education of gifted and talented students;~~

1           ~~(4) "Average daily membership" means the total number of days~~  
 2 ~~attended plus the total number of days absent by students in grades~~  
 3 ~~kindergarten through twelve (K-12) during the first three (3) quarters of~~  
 4 ~~each school year divided by the number of school days actually taught in the~~  
 5 ~~district during that period of time rounded up to the nearest hundredth. In~~  
 6 ~~those instances in which the average daily membership for less than three (3)~~  
 7 ~~quarters is specified, the number of days used in the calculation shall be~~  
 8 ~~the days in the specified period of time. As applied to this subchapter,~~  
 9 ~~students who may be counted for average daily membership are:~~

10           ~~(A) Students who reside within the boundaries of the~~  
 11 ~~school district and who are enrolled in a public school operated by the~~  
 12 ~~district or a private school for special education students, with their~~  
 13 ~~attendance resulting from a written tuition agreement approved by the~~  
 14 ~~Department of Education;~~

15           ~~(B) Legally transferred students living outside the~~  
 16 ~~district but attending a public school in the district; and~~

17           ~~(C) Students who reside within the boundaries of the~~  
 18 ~~school district and who are enrolled in the Arkansas National Guard Youth~~  
 19 ~~Challenge Program, so long as the students are participants in the program;~~

20           ~~(5) "Base local revenue per student" means:~~

21           ~~(A) If Category 1 is fully funded, the local revenue per~~  
 22 ~~student in the local school district with the highest amount of local revenue~~  
 23 ~~per student; or~~

24           ~~(B) If Category 1 is not fully funded, the revenue per~~  
 25 ~~student to which the state equalizes, which is calculated by:~~

26           ~~(i) Taking the sum of:~~

27           ~~(a) The total available state aid for state~~  
 28 ~~equalization funding per student;~~

29           ~~(b) Ninety eight percent (98%) of the uniform~~  
 30 ~~rate of tax times the total state assessed valuation; and~~

31           ~~(c) Seventy five percent (75%) of the average~~  
 32 ~~miscellaneous funds collected in the previous five (5) years or previous~~  
 33 ~~year, whichever is less; and~~

34           ~~(ii) Dividing the sum by the total state average~~  
 35 ~~daily membership for the previous year;~~

36           ~~(6) "Classroom teacher" means:~~

1                   (A) ~~An individual who is required to hold a teaching~~  
 2 ~~license from the department and who is engaged directly in instruction with~~  
 3 ~~students in a classroom setting for more than seventy percent (70%) of the~~  
 4 ~~individual's contracted time;~~

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

6                   (C) ~~A librarian;~~

7                   (7) ~~"Debt service funding supplement" means the state financial~~  
 8 ~~aid provided to qualifying local school districts for the purpose of reducing~~  
 9 ~~existing debt service burdens and increasing the amount of local revenue~~  
 10 ~~available for maintenance and operations expenditures and calculated as~~  
 11 ~~follows: For each mill of eligible debt service millage required, the local~~  
 12 ~~school shall be provided a dollar amount of no less than fifteen dollars~~  
 13 ~~(\$15.00) per average daily membership times the state wealth index;~~

14                   (8) ~~"Debt service millage" means the total number of mills voted~~  
 15 ~~by the electors of a school district to be pledged as security for the~~  
 16 ~~retirement of bonded indebtedness;~~

17                   (9) ~~"Debt service millage required" means the calculated millage~~  
 18 ~~rate equal to the amount of millage pledged to mandatory callable bonds plus~~  
 19 ~~the result of the scheduled calendar year bonded debt payment divided by the~~  
 20 ~~total assessed value of real, personal, and utility property in the local~~  
 21 ~~school district;~~

22                   (10) ~~"Eligible debt service millage required" means, in the~~  
 23 ~~computation of the debt service funding supplement, the debt service millage~~  
 24 ~~required for bonds issued before May 30 of each year;~~

25                   (11) ~~"Excess debt service millage" means the difference between~~  
 26 ~~the debt service millage levied and the debt service millage required. This~~  
 27 ~~amount shall be presumed to be available for maintenance and operation but~~  
 28 ~~may be used for other school purposes provided that the district is in~~  
 29 ~~compliance with the uniform rate of tax;~~

30                   (12) ~~"General facility funding" means the state financial aid~~  
 31 ~~provided to each local school district from funds made available for that~~  
 32 ~~purpose and based on a facilities needs assessment justification approved by~~  
 33 ~~the department and calculated as follows: Multiply the local school~~  
 34 ~~district's average daily membership for the previous year by the state wealth~~  
 35 ~~index, times a rate established by the State Board of Education;~~

36                   (13) ~~"Incentive funding" means the state financial aid provided~~



1 to local school districts below the ninety fifth percentile for the purpose  
 2 of eliminating the incentive a local school district may have to reduce its  
 3 additional mills available for maintenance and operations and which is  
 4 calculated by taking one half (1/2) of the difference between the amount of  
 5 additional base funding a local school district would have received if it  
 6 only levied the uniform rate of tax and the additional base funding the  
 7 district receives in the current school year. For purposes of the calculation  
 8 of the amount of additional base funding a district would have received if it  
 9 had only levied the uniform rate of tax, twenty five percent (25%) of the  
 10 miscellaneous funds received by any local school district shall be excluded  
 11 from the calculation;

12           (14) "Isolated funding" means the state financial aid provided  
 13 to local school districts with an average daily membership of fewer than  
 14 three hundred fifty (350) from funds made available for that purpose and  
 15 which is calculated as follows;

16                   (A) (350 Previous year's average daily membership) divided  
 17 by eight hundred fifty (850) times previous year's average daily membership  
 18 times the base local revenue per student;

19                   (B) Local school districts with an average daily  
 20 membership density of less than one and two tenths (1.2) shall receive  
 21 additional funds equal to fifty percent (50%) of aid received under  
 22 subdivision (14)(A) of this section;

23                   (C) For the purpose of calculating isolated funding, any  
 24 local school district that has an average daily membership density greater  
 25 than 5.0 shall be excluded. Provided, however, if a local school district has  
 26 a local revenue per student less than sixty percent (60%) of the effective  
 27 average, it shall receive isolated funding;

28                   (D) No school district shall receive less isolated funding  
 29 in future years than the district received during the 1996-1997 school year  
 30 because of subdivision (14)(C) of this section; and

31                   (E) If the statewide amount for isolated funding  
 32 calculated pursuant to this section is less than the amount appropriated for  
 33 isolated funding, the state board may include a funding factor to the  
 34 calculation in subdivision (14)(A) of this section in order to expend up to  
 35 the appropriated amount;

36           (15) "Local revenue per student" means in each year ninety eight

1 percent (98%) of the amount of revenue available, whether or not collected,  
 2 in a local school district solely from the levy of the uniform rate of tax  
 3 plus seventy five percent (75%) of the average miscellaneous funds collected  
 4 in the previous five (5) years or the previous year, whichever is less,  
 5 divided by the average daily membership of the local school district for the  
 6 previous year;

7 (16) ~~"Local school district" means a geographic area with an~~  
 8 ~~elected board of directors that qualifies as a taxing unit for purposes of ad~~  
 9 ~~valorem property taxes under § 26-1-101 et seq. and which board conducts the~~  
 10 ~~daily affairs of public schools pursuant to the supervisory authority vested~~  
 11 ~~in it by the General Assembly;~~

12 (17) ~~"Local school district at the ninety fifth percentile"~~  
 13 ~~means, when ranking districts in descending order by the total state and~~  
 14 ~~local revenue per average daily membership, a district that falls at the~~  
 15 ~~ninety fifth percentile of the total number of pupils in attendance in the~~  
 16 ~~schools of this state, as described by 34 C.F.R. § 222.63 (1994);~~

17 (18) ~~"Mandatory callable bonds" means a bond issue in which all~~  
 18 ~~net proceeds from debt service millage used to secure the issuance of that~~  
 19 ~~bond must be applied to payment of the issue and cannot be used for any other~~  
 20 ~~purpose;~~

21 (19) ~~"Millage rate" means the millage rate listed in the most~~  
 22 ~~recent tax ordinance approved by the county quorum court under the authority~~  
 23 ~~of § 14-14-904;~~

24 (20) ~~"Minimum state and local revenue per average daily~~  
 25 ~~membership" means an amount no less than eighty percent (80%) of the total~~  
 26 ~~state and local revenue per average daily membership of the local school~~  
 27 ~~district at the ninety fifth percentile;~~

28 (21) ~~"Miscellaneous funds" means those funds received by a local~~  
 29 ~~school district from federal forest reserves, federal grazing rights, federal~~  
 30 ~~mineral rights, federal impact aid, federal flood control, wildlife refuge~~  
 31 ~~funds, severance taxes, funds received by the district in lieu of taxes, and~~  
 32 ~~local sales and use taxes dedicated to education pursuant to §§ 26-74-201 et~~  
 33 ~~seq., 26-74-301 et seq., 26-75-301 et seq., and 14-164-301 et seq.;~~

34 (22) ~~"Previous year" means the school year immediately preceding~~  
 35 ~~the school year in which funds are allocated;~~

36 (23) ~~"State equalization funding per student" means the amount~~

1 of state financial aid per average daily membership for the previous year  
 2 provided to each local school district calculated by subtracting the local  
 3 revenue per student from the base local revenue per student;

4 (24) ~~"State wealth index" means the result of one (1) minus the~~  
 5 ~~ratio of local revenue per student divided by state equalization funding per~~  
 6 ~~student;~~

7 (25) ~~"Student classroom teacher funding" means the state~~  
 8 ~~financial aid provided to each local school district calculated as an amount~~  
 9 ~~equal to the amount allocated for student classroom teacher funding divided~~  
 10 ~~by the total state average daily membership for the previous year times the~~  
 11 ~~receiving school district's average daily membership for the previous year;~~

12 (26) ~~"Student growth funding" means the amount of state~~  
 13 ~~financial aid provided to each local school district from the funds made~~  
 14 ~~available for that purpose calculated as the base local revenue per student~~  
 15 ~~multiplied by the increase, if any, in the local school district's two-~~  
 16 ~~quarter average of the average daily membership of the current year over the~~  
 17 ~~local school district's average daily membership for the previous year;~~

18 (27) ~~"Student needs funding" means the amount of state financial~~  
 19 ~~aid provided to each local school district from available special education~~  
 20 ~~funding, vocational education funding, at risk funding, isolated funding,~~  
 21 ~~transportation aid, and any other categories of student needs funding which~~  
 22 ~~may be subsequently identified pursuant to rules and regulations promulgated~~  
 23 ~~by the state board;~~

24 (28) ~~"Student unit funding" means the state financial aid~~  
 25 ~~provided to each local school district, which is calculated as follows: By~~  
 26 ~~dividing the total funds available for textbook aid, alternative education,~~  
 27 ~~including gifted and talented education programs, restructuring, and staff~~  
 28 ~~development by the total state average daily membership for the previous year~~  
 29 ~~and multiplying by the local school district's average daily membership for~~  
 30 ~~the previous year;~~

31 (29) ~~"Total state and local revenue per average daily~~  
 32 ~~membership" means in each local school district, the amount calculated by:~~

33 (A) ~~Taking the sum of:~~

34 (i) ~~The local school district's uniform rate of tax~~  
 35 ~~times ninety eight percent (98%) of the district's assessed valuation;~~

36 (ii) ~~The local school district's additional mills~~

1 ~~for maintenance and operation times ninety-eight percent (98%) of the~~  
 2 ~~district's assessed valuation;~~

3 ~~(iii) The local school district's miscellaneous~~  
 4 ~~funds; and~~

5 ~~(iv) State equalization funding, student classroom~~  
 6 ~~teacher funding, student unit funding, vocational funding, general facilities~~  
 7 ~~funding, and student growth funding available to the local school district;~~  
 8 ~~and~~

9 ~~(B) By dividing by the average daily membership of the~~  
 10 ~~local school district; and~~

11 ~~(30) "Uniform rate of tax" means a uniform rate of ad valorem~~  
 12 ~~property tax of twenty five (25) mills to be levied on the assessed value of~~  
 13 ~~all taxable real, personal, and utility property in the state to be used~~  
 14 ~~solely for the maintenance and operation of the schools. In calculating the~~  
 15 ~~uniform rate of tax imposed by Arkansas Constitution, Article 14, § 3, as~~  
 16 ~~amended by Amendments 11, 40, and 74, the following categories of millage may~~  
 17 ~~be utilized to meet the minimum millage requirement:~~

18 ~~(A) The local school district's maintenance and operation~~  
 19 ~~millage;~~

20 ~~(B) The dedicated maintenance and operation millage;~~

21 ~~(C) Excess debt service millage; and~~

22 ~~(D) The millage derived from the ratio of the debt service~~  
 23 ~~funding supplements divided by the total assessment.~~

24  
 25 ~~6-20-304. Liberal construction.~~

26 ~~All general provisions, terms, phrases, and expressions used in this~~  
 27 ~~subchapter or any related provisions of this Code shall be liberally~~  
 28 ~~construed so as to effectuate its purposes.~~

29  
 30 ~~6-20-305. Miscellaneous.~~

31 ~~The State Board of Education shall have authority, acting pursuant to~~  
 32 ~~its rule-making powers, to adopt regulations for the implementation of the~~  
 33 ~~provisions of this subchapter.~~

34  
 35 ~~6-20-306. School funding.~~

36 ~~(a)(1) Beginning with the 1996-1997 school year, the Department of~~

1 ~~Education shall provide from available funds the following school funding~~  
 2 ~~categories in the priorities listed to local school districts.~~

3 ~~(A) Category 1. State equalization funding per student;~~

4 ~~(B) Category 2. Student classroom teacher funding;~~

5 ~~(C) Category 3. Student unit funding; and~~

6 ~~(D) Category 4. Student needs funding.~~

7 ~~(2) No subsequent category of funding shall receive any funding~~  
 8 ~~until each prior category is fully funded.~~

9 ~~(b)(1) If any category of funding excluding Category 1 is only~~  
 10 ~~partially funded, each local school district shall receive a pro rata share.~~

11 ~~(2) However, if the General Assembly determines that any element~~  
 12 ~~of Category 3 or 4 needs to be funded before full funding of any preceding~~  
 13 ~~category is achieved, then that subset of either Category 3 or Category 4~~  
 14 ~~shall be funded exclusive of the previously listed categories.~~

15  
 16 ~~6-20-307. Facilities.~~

17 ~~(a) General facilities funding, isolated funding, and student growth~~  
 18 ~~shall be provided to local school districts from available funds in a line~~  
 19 ~~item appropriation within the Public School Fund.~~

20 ~~(b)(1) The state shall provide from available funds a debt service~~  
 21 ~~funding supplement to qualifying local school districts for the purpose of~~  
 22 ~~reducing debt service burdens issued before May 30 of each fiscal year and~~  
 23 ~~increasing the amount of local revenue available for maintenance and~~  
 24 ~~operations expenditures.~~

25 ~~(2) The legislative intent is to continue providing a debt~~  
 26 ~~service funding supplement to qualifying local school districts through~~  
 27 ~~available funds in a line item appropriation within the fund.~~

28  
 29 ~~6-20-308. Department of Education to provide funding—Adjustments for~~  
 30 ~~overpayments.~~

31 ~~(a)(1) After determining the amount of state equalization funding,~~  
 32 ~~student classroom teacher funding, student unit funding, vocational funding,~~  
 33 ~~general facilities funding, and student growth funding available to each~~  
 34 ~~local school district, the Department of Education shall provide any~~  
 35 ~~additional base funding necessary to ensure that the total state and local~~  
 36 ~~revenue per average daily membership of each local school district is no less~~

1 ~~than the minimum state and local revenue per average daily membership.~~

2 ~~(2) For the purposes of additional base funding, any questions~~  
 3 ~~as to what revenue shall be included will be determined by reference to 34~~  
 4 ~~G.F.R. § 222.63 (1994).~~

5 ~~(b) A school district shall not lose any state funding as a result of~~  
 6 ~~debt service savings produced by refunding outstanding bonds provided that:~~

7 ~~(1) The yearly savings produced by the refunding is deposited~~  
 8 ~~into a refunding savings building fund and is used by the district for the~~  
 9 ~~building and equipping of school buildings, for major adaptations to a~~  
 10 ~~facility, or for purchasing sites therefor; and that~~

11 ~~(2) Prior to the date that the refunding bonds are sold at~~  
 12 ~~public sale, the district submits a certificate to the Director of the~~  
 13 ~~Department of Education certifying that the yearly debt service savings will~~  
 14 ~~be used for the purposes described in this subsection (b).~~

15 ~~(c) If the department shall determine that an overpayment has been~~  
 16 ~~made to a local school district in any appropriation authorized by this~~  
 17 ~~subchapter, the department is authorized to withhold the overpayment from~~  
 18 ~~state equalization funding and is authorized to transfer the amount withheld~~  
 19 ~~for the overpayment to the line item appropriation from which the overpayment~~  
 20 ~~was initially made.~~

21  
 22 ~~6-20-309. Local school districts—Restrictions on use of specific~~  
 23 ~~funding.~~

24 ~~(a) Local school districts may expend Category 1 funds for student~~  
 25 ~~classroom teacher funding, student unit funding, and student needs funding.~~

26 ~~(b) A local school district may only use general facilities funding~~  
 27 ~~for the purchase of school buses, furniture, equipment, and computer software~~  
 28 ~~or for the renovation or repairs of existing facilities.~~

29 ~~(c) Local school districts may not use student classroom teacher~~  
 30 ~~funding to compensate anyone other than classroom teachers.~~

31  
 32 ~~6-20-310. Local school districts—Required expenditures.~~

33 ~~(a) Local school districts shall expend state and local revenues on~~  
 34 ~~students evaluated as special education students in accordance with existing~~  
 35 ~~federal and state laws and Department of Education regulations.~~

36 ~~(b) Local school districts shall expend state and local revenues on~~

1 ~~students in alternative learning environments and in gifted and talented~~  
2 ~~programs in accordance with existing state laws and department regulations.~~

3  
4 ~~6-20-311. Local school districts.~~

5 ~~(a) Beginning with the 1995-1996 school year, each local school~~  
6 ~~district shall prepare an annual certified audit of the financial condition~~  
7 ~~and transactions of the local school district as of June 30 of each year in~~  
8 ~~accordance with generally accepted accounting practices and containing any~~  
9 ~~other data as determined by the State Board of Education.~~

10 ~~(b) Nothing in this legislation shall be construed to authorize,~~  
11 ~~permit, or require consolidation of any school district.~~

12 ~~(c) [Repealed.]~~

13  
14 ~~6-20-319. Other requirements for state aid.~~

15 ~~In order for a district to be entitled to state aid under the~~  
16 ~~provisions of this subchapter, each district shall satisfy the following~~  
17 ~~requirements:~~

18 ~~(1) Expenditures for any fiscal year shall not exceed the legal~~  
19 ~~revenues for that year;~~

20 ~~(2) The district shall maintain such records and make such~~  
21 ~~reports relative to attendance, receipts, and disbursements and other reports~~  
22 ~~as required by the Department of Education for the administration of this~~  
23 ~~subchapter;~~

24 ~~(3) The district shall maintain proper financial records in~~  
25 ~~accordance with the state's school accounting manual and regulations~~  
26 ~~promulgated by the State Board of Education;~~

27 ~~(4) The district shall file with the board annually a salary~~  
28 ~~schedule for its certified employees which recognizes a minimum level of~~  
29 ~~training and experience. This schedule shall reflect the actual pay practices~~  
30 ~~of the district, including all fringe benefits. Salary increments for~~  
31 ~~experience or education, or both, shall be identified on the schedule;~~

32 ~~(5) All pupil attendance records shall be kept in their original~~  
33 ~~form and shall be public records. They shall be kept according to law and~~  
34 ~~regulations, on paper or electronic forms either furnished or approved by the~~  
35 ~~department. Original attendance records shall be kept on file in the office~~  
36 ~~of the superintendent of schools after the school term is ended for a period~~

1 of three (3) years, and these records shall be available for monitoring  
 2 purposes during any day of the school term by the teachers or other persons  
 3 designated to keep attendance.

4  
 5 ~~6-20-320. Computation of classroom teacher salaries.~~

6 ~~Local school districts may not include the cost of substitute teachers,~~  
 7 ~~extended contracts for extracurricular activities, or supplementary pay for~~  
 8 ~~extracurricular activities in meeting the expenditures requirement for~~  
 9 ~~student classroom teacher salaries.~~

10  
 11 ~~6-20-323. Special needs students.~~

12 ~~(a) The Department of Education shall provide special assistance for~~  
 13 ~~students with special needs to local school districts from available revenues~~  
 14 ~~from line item appropriations in the Public School Fund.~~

15 ~~(b) Funding for students with limited English proficiency shall be~~  
 16 ~~based upon actual students who have been identified based on the use of an~~  
 17 ~~English proficiency assessment instrument. These funds shall be distributed~~  
 18 ~~pro rata based upon the number of students identified as limited English~~  
 19 ~~proficient.~~

20 ~~(c) Funding for special education—catastrophic occurrences shall be~~  
 21 ~~based upon those individual cases where special education and related~~  
 22 ~~services required by the individualized education program of a particular~~  
 23 ~~student with disabilities are unduly expensive, extraordinary, or beyond the~~  
 24 ~~routine and normal costs associated with special education and related~~  
 25 ~~services provided by a local school district.~~

26 ~~(d)(1) Funding for students with low socioeconomic status shall be~~  
 27 ~~based on students in kindergarten through grade one (K-1) living in areas~~  
 28 ~~with high concentrations of low income families or from low income families~~  
 29 ~~as indicated by eligibility for the free or reduced price lunch program under~~  
 30 ~~the National School Lunch Act or any other act of Congress. These funds shall~~  
 31 ~~be used only for early intervention strategies sanctioned by the department~~  
 32 ~~in reading and writing literacy or mathematics for students in pre-~~  
 33 ~~kindergarten through grade one (preK-1).~~

34 ~~(2) Funding for students with low socioeconomic status shall~~  
 35 ~~only be funded through June 30, 2005.~~

36 ~~(e) Funding for students in alternative learning environments shall be~~



1 distributed either through grants, competitive or otherwise, or pro rata  
2 based upon the number of full-time equivalent students participating in a  
3 nontraditional or flexible instructional program designed to improve student  
4 achievement in the core academic subjects which the students could not  
5 achieve in a regular classroom environment.

6 (f) The State Board of Education shall promulgate rules and  
7 regulations for the disbursement of available funds for special needs  
8 students explicated in this section.

9  
10 ~~6-20-324. Incentive revenues to encourage local millage.~~  
11 After the calculation and provision of additional base funding, the  
12 Department of Education shall provide incentive funding to local school  
13 districts below the district at the ninety-fifth percentile in order to  
14 reward local school districts for levying additional mills available for  
15 maintenance and operations and in order to remove the potential disincentive  
16 for a local school district to reduce its additional mills available for  
17 maintenance and operations in order to receive additional base funding or in  
18 order to receive an increase in additional base funding.

19  
20 ~~6-20-325. State equalization funding for natural disaster areas.~~

21 (a) When any county in the State of Arkansas is declared a disaster  
22 area by the Federal Emergency Management Administration, the school districts  
23 that experienced loss of students due to the disaster and that are located  
24 within that county shall receive funding.

25 (b)(1) The school district shall be responsible for requesting these  
26 funds and for providing documentation required by the Department of  
27 Education.

28 (2) The school district is required to document the loss in  
29 enrollment specifically due to the disaster.

30 (c)(1) Funding shall be provided for two (2) years, based on the loss  
31 in revenues from the loss in average daily membership in the first year  
32 subsequent to the natural disaster as compared to the year in which the  
33 natural disaster occurred.

34 (2) Funding shall be calculated each fiscal year, with each  
35 qualifying school district receiving either full reimbursement or a pro rata  
36 share of the total funds available.

1           ~~(d) A school district may not receive funds both for a loss in~~  
2 ~~students due to a natural disaster and for a loss in revenues due to a loss~~  
3 ~~in students.~~

4           ~~(e) These funds shall be distributed in accordance with rules and~~  
5 ~~regulations promulgated by the department.~~

6  
7           ~~6-20-326. Districts losing revenues.~~

8           ~~(a) The Department of Education shall provide funding to local school~~  
9 ~~districts from available funds to aid local school districts which have~~  
10 ~~suffered a significant loss of revenues. The loss of revenues considered~~  
11 ~~under this section shall have occurred in a one-year period. Funding under~~  
12 ~~this section shall only be for one (1) year and shall be considered~~  
13 ~~nonrestricted revenues included in the calculation of total state and local~~  
14 ~~funding per average daily membership.~~

15           ~~(b) Under no circumstances may a school district receive both student~~  
16 ~~growth funding and loss funding authorized by this section. If a school~~  
17 ~~district qualifies for both student growth funding and loss funding, then the~~  
18 ~~school district shall receive the greater of the two (2) amounts.~~

19           ~~(c) The State Board of Education shall promulgate rules and~~  
20 ~~regulations for the disbursement of available funds for local school~~  
21 ~~districts' lost revenues.~~

22  
23           ~~6-20-327. Calculation and disbursement of funds authorized.~~

24           ~~(a) The Department of Education shall calculate the amount of funds~~  
25 ~~authorized by this subchapter on three (3) occasions during the year. The~~  
26 ~~first of these shall be done at the beginning of the year. A second~~  
27 ~~calculation shall occur at some point during the year, making corrections for~~  
28 ~~clerical errors and student growth. The third of these calculations shall be~~  
29 ~~done at the end of the year and shall settle all funding amounts due to~~  
30 ~~school districts under this subchapter.~~

31           ~~(b) On or before July 1 of every year, the department shall set a~~  
32 ~~schedule of payments of funds authorized under this subchapter to school~~  
33 ~~districts.~~

34           ~~(c) If statistical data required in this subchapter are not available~~  
35 ~~at the time they are required for calculations or if the school program is~~  
36 ~~disrupted for any cause not controlled by the local board of education, the~~

1 ~~State Board of Education shall cause procedures to be developed which will~~  
2 ~~ensure that the provisions of this subchapter are properly enforced.~~

3  
4 SECTION 4. Effective Date. This act shall become effective on July 1,  
5 2004.

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