

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

As Engrossed: H3/8/17
A Bill

HOUSE BILL 1936

5 By: Representative Lowery
6

7 **For An Act To Be Entitled**

8 AN ACT TO REVISE THE ACADEMIC FACILITIES WEALTH
9 INDEX; AND FOR OTHER PURPOSES.
10

11 **Subtitle**

12 TO REVISE THE ACADEMIC FACILITIES WEALTH
13 INDEX.
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16
17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
18

19 SECTION 1. Arkansas Code § 6-20-2502(1), concerning the definition of
20 "academic facilities wealth index" in the Arkansas Public School Academic
21 Facilities Funding Act of 2007, is amended to read as follows:

22 (1)(A) "Academic facilities wealth index" means ~~a percentage~~
23 ~~derived from the following computations~~ the sum of the following, divided by
24 seven:

25 (i) Four (4) multiplied by the value of one (1) mill
26 per student index under subdivision (1)(B) of this section;

27 (ii) Two (2) multiplied by the net legal balance per
28 student index under subdivision (1)(C) of this section; and

29 (iii) The building fund balance per student index
30 under subdivision (1)(D) of this section.

31 (B)(i) The value of one (1) mill per student index is as
32 follows:

33 ~~(i)~~(a) Determine the value of one (1) mill per
34 student in each school district as follows:

35 ~~(a)~~(1) Multiply the value of one (1)
36 mill by the total assessed valuation of taxable real, personal, and utility



1 property in the school district as shown by the applicable county assessment
2 for the most recent year; and

3 ~~(b)(2)~~ Divide the product from
4 subdivision ~~(1)(A)(i)(a)~~ (1)(B)(i)(a)(1) of this section by the greater of
5 the prior year average daily membership of the school district or the prior
6 three-year average of the school district's average daily membership;

7 ~~(ii)(b)~~ Determine student millage rankings by
8 listing the computation under subdivision ~~(1)(A)(i)~~ (1)(B)(i)(a) of this
9 section for each school district from students with the lowest value per mill
10 to students with the highest value per mill;

11 ~~(iii)(c)~~ Allocate the student millage rankings
12 into percentiles with the first percentile containing the one percent (1%) of
13 students with the lowest value per mill and the one-hundredth percentile
14 containing the one percent (1%) of students with the highest value per mill;
15 and

16 ~~(iv)(d)~~ Divide the value of one (1) mill per
17 student in each school district as computed under subdivision
18 ~~(1)(A)(i)~~ (1)(B)(i)(a) of this section by the amount corresponding to the
19 ninety-fifth percentile of the student millage rankings under subdivision
20 ~~(1)(A)(iii)~~ (1)(B)(i)(c) of this section.

21 (ii) Every school district with a value of one (1)
22 mill per student index of one (1.00) or greater will be designated as having
23 the same value of one (1) mill per student index as the first school district
24 with a value of one (1) mill per student index below one (1.00), except that
25 the value of one (1) mill per student index under this subdivision (1)(B)(ii)
26 will not be less than nine hundred ninety-five thousandths (.995).

27 (C)(i) The net legal balance per student index is as
28 follows:

29 (a) Determine the net legal balance per student
30 in each school district as follows:

31 (1) Multiply the year end net legal
32 balance of the prior school year; and

33 (2) Divide the product from subdivision
34 (1)(C)(i)(a)(1) of this section by the greater of the prior year average
35 daily membership of the school district or the prior three-year average of
36 the school district's average daily membership;

1 (b) Determine the net legal balance per student
2 rankings by listing the computation under subdivision (1)(C)(i)(a) of this
3 section for each school district from students with the lowest net legal
4 balance to students with the highest net legal balance;

5 (c) Allocate the net legal balance rankings
6 into percentiles with the first percentile containing the one percent (1%) of
7 students with the lowest net legal balance and the one-hundredth percentile
8 containing the one percent (1%) of students with the highest net legal
9 balance; and

10 (d) Divide the net legal balance per student in
11 each school district as computed under subdivision (1)(C)(i)(a) of this
12 section by the amount corresponding to the ninety-fifth percentile of the
13 student net legal balance rankings under subdivision (1)(C)(i)(c) of this
14 section.

15 (ii) Every school district with a net legal balance
16 per student index of one (1.00) or greater will be designated as having the
17 same net legal balance per student index as the first school district with a
18 net legal balance per student index below one (1.00), except that the net
19 legal balance per student index under this subdivision (1)(C)(ii) will not be
20 less than nine hundred ninety-five thousandths (.995).

21 (D)(i) The building fund balance per student index is as
22 follows:

23 (a) Determine the year end building fund
24 balance per student in each school district as follows:

25 (1) Multiply the year-end building fund
26 balance of the prior year; and

27 (2) Divide the product from subdivision
28 (1)(D)(i)(a)(1) of this section by the greater of the prior year average
29 daily membership of the school district or the prior three-year average of
30 the school district's average daily membership;

31 (b) Determine student building fund balance
32 rankings by listing the computation under subdivision (1)(D)(i)(a) of this
33 section for each school district from students with the lowest building fund
34 to students with the highest building fund;

35 (c) Allocate the student millage rankings into
36 percentiles with the first percentile containing the one percent (1%) of

1 students with the lowest building fund balance and the one-hundredth
 2 percentile containing the one percent (1%) of students with the highest
 3 building fund balance; and

4 (d) Divide the building fund balance per
 5 student in each school district as computed under subdivision (1)(D)(i)(a) of
 6 this section by the amount corresponding to the ninety-fifth percentile of
 7 the student building fund balance rankings under subdivision (1)(D)(i)(c) of
 8 this section.

9 (ii) Every school district with a building fund
 10 balance per student index of one (1.00) or greater will be designated as
 11 having the same building fund balance per student index as the first school
 12 district with a building fund balance per student index below one (1.00),
 13 except that the building fund balance per student index under this
 14 subdivision (1)(D)(ii) will not be less than nine hundred ninety-five
 15 thousandths (.995).

16 ~~(B)(E)~~ Every school district with a wealth index of one
 17 (1.00) or greater will be funded at the same level as the first school
 18 district with a wealth index below one (1.00), except that funding under this
 19 subdivision ~~(1)(B)(1)(E)~~ will not exceed the amount of funding provided for a
 20 wealth index of nine hundred ninety-five thousandths (.995).

21 ~~(C)(i)(F)(i)~~ The percentage derived from the computation
 22 under subdivision ~~(1)(A)(iv)(1)(A)~~ of this section is the academic facilities
 23 wealth index for a school district, which shall be computed annually and used
 24 to determine the amount of the school district's share of financial
 25 participation in a local academic facilities project eligible for state
 26 financial participation under priorities established by the Division of
 27 Public School Academic Facilities and Transportation.

28 (ii) The state's share of financial participation in
 29 a local academic facilities project eligible for state financial
 30 participation under priorities established by the division is the percentage
 31 derived from subtracting the school district's percentage share of financial
 32 participation determined under subdivision ~~(1)(C)(i)(1)(F)(i)~~ of this section
 33 from one hundred percent (100%);

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 35 SECTION 2. Arkansas Code § 6-20-2502, concerning definitions in the
 36 Arkansas Public School Academic Facilities Funding Act, is amended to add

1 additional subdivisions to read as follows:

2 (13) "Net legal balance" means the:

3 (A) Combined balance for a public school district's
4 teacher's salary fund, operating fund, and debt services fund; minus

5 (B) Combined balance for the following funds for a public
6 school district's categorical funding:

7 (i) National school lunch fund;

8 (ii) Alternative learning environment fund;

9 (iii) English language learner fund; and

10 (iv) Professional development fund; minus

11 (C) Escrow balance restricted for the retirement of
12 federal qualified bonds.

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14 SECTION 3. DO NOT CODIFY. Section 1 of this act shall be effective
15 beginning with the 2019-2021 project funding cycle for state financial
16 participation under the Arkansas Public School Academic Facilities Funding
17 Act, § 6-20-2501 et seq.

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19 /s/Lowery
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