

**A REPORT ON LEGISLATIVE HEARINGS  
FOR THE 2012 INTERIM STUDY ON EDUCATIONAL  
ADEQUACY**

**(ACT 57 OF THE SECOND EXTRAORDINARY SESSION OF 2003,  
ACT 1204 OF 2007, AND ACT 725 OF 2011)**

**VOLUME I**

**RECOMMENDATIONS  
OF THE  
HOUSE AND SENATE  
INTERIM COMMITTEES ON EDUCATION**

**NOVEMBER 1, 2012  
(REVISED MARCH 2013)**

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## Section 16: Recommendations and Supplementary Recommendations

1. In March 2012, the House and Senate Education Committees (Education Committees) passed a motion requesting the Education Department implement the following APSCN coding changes necessary to facilitate the collection of data for the following purposes. The motion specified that these coding changes should not be optional.
  - **School improvement provider accounting records**—The funding paid to external providers should be recorded at the school level. Coding is needed for vendors used in response to school improvement status requirements. This should be maintained for the expenditures of SIG grant funding as well as other revenue sources used for school improvement providers.
  - **Parental involvement efforts**—A coding method of tracking federal funds being used for parental involvement efforts is currently being developed. That coding methodology should be used for state funds as well.
  - **Teacher absentee reporting**—The information is currently being reported as Teacher Leave Total (Days). According to ADE, this measure is an optional field for districts to enter, and they use the same database field differently, depending upon whether the employee is salaried or hourly. Recording this data should not be optional and should be recorded uniformly by the districts. These changes should be implemented to be effective for the 2012-13 school year. Approximately 205 of the 239 school districts are already entering this information.

In October 2012, the Education Committees added the following two recommendations:

2. Based on projections provided by the Bureau of Legislative Research through its subscriptions to Moody's Analytics and Global Insight, the Education Committees recommended adopting an inflationary adjustment to be applied to the per-pupil foundation and categorical funding amounts for fiscal years 2014 and 2015 in the range of 1.8% to 2.5%, with the proviso that the Education Committees may make a separate determination on the amount by which the rate of inflation will be applied to the categorical funding after a study and findings regarding categorical fund balances. The recommendation also included the requirement that the Bureau of Legislative Research inform the Education Committees of each and every revision of the inflationary projections provided by Moody's Analytics and Global Insight until a final inflationary adjustment determination is made by the 89<sup>th</sup> General Assembly.
3. The Education Committees recommended evaluating the effects of Act 1050 of 2011, as they relate to providing bandwidth in Arkansas public schools.

### Supplementary Recommendations

In March 2013, the Education Committees voted to amend the 2012 adequacy report entitled "A Report on Legislative Hearings for the 2012 Interim Study on Educational Adequacy." The Committees approved the addition of supplementary information on the impact of National School Lunch funding and made the following recommendations:

4. Replace the current NSLA funding mechanism with a smoother funding model that provides funding for economically disadvantaged students on a sliding scale. This model should weight the funding to provide more money to districts for students who qualify for free lunches than it provides for students qualifying for reduced price lunches.
5. Prioritize and focus districts' allowable uses of educational funding for economically disadvantaged students.
6. Replace Recommendation #2 in the November 1, 2012 version of the adequacy report with the following:

The Education Committees recommended adopting an inflationary adjustment of 2.0% to be applied to the per-pupil foundation amount for fiscal years 2014 and 2015. A portion of that increase (0.2%) is intended to support an increase in the minimum district contribution to employees' participation in the Public School Employees Health Insurance Plan. A 1.8% increase should be applied to three of the categorical funds: English Language Learners, Alternative Learning Environment and Professional Development.

1 State of Arkansas As Engrossed: H4/2/13 H4/12/13

2 89th General Assembly

A Bill

3 Regular Session, 2013

HOUSE BILL 1774

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5 By: Representative McLean

6 By: Senators J. Key, Elliott

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**For An Act To Be Entitled**

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AN ACT TO AMEND VARIOUS PROVISIONS OF THE ARKANSAS  
CODE CONCERNING PUBLIC SCHOOL FUNDING AMOUNTS; TO  
DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

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**Subtitle**

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TO AMEND VARIOUS PROVISIONS OF THE  
ARKANSAS CODE CONCERNING PUBLIC SCHOOL  
FUNDING AMOUNTS; AND TO DECLARE AN  
EMERGENCY.

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

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SECTION 1. Arkansas Code § 6-20-2305(a)(2), concerning per-student  
foundation funding amounts, is amended to read as follows:

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(2)(A) For the ~~2011-2012~~ 2013-2014 school year, the foundation  
funding amount is equal to ~~six thousand one hundred forty-four dollars~~  
~~(\$6,144)~~ six thousand three hundred ninety-three dollars (\$6,393) multiplied  
by the school district's average daily membership for the previous school  
year.

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(B) For the ~~2012-2013~~ 2014-2015 school year and each  
school year thereafter, the foundation funding amount is equal to ~~six~~  
~~thousand two hundred sixty-seven dollars (\$6,267)~~ six thousand five hundred  
twenty-one dollars (\$6,521) multiplied by the school district's average daily  
membership for the previous school year.

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SECTION 2. Arkansas Code § 6-20-2305(b)(2)(A)(i) and (ii), concerning



1 *per-student state categorical funding amounts for alternative learning*  
2 *environments, are amended to read as follows:*

3 *(2)(A)(i) For the ~~2011-2012~~ 2013-2014 school year, alternative*  
4 *learning environment funding shall be ~~four thousand one hundred forty five~~*  
5 *~~dollars (\$4,145)~~ four thousand three hundred five dollars (\$4,305) multiplied*  
6 *by the number of identified alternative learning environment students*  
7 *enrolled during the previous school year.*

8 *(ii) For the ~~2012-2013~~ 2014-2015 school year and*  
9 *each school year thereafter, alternative learning environment funding shall*  
10 *be ~~four thousand two hundred twenty eight dollars (\$4,228)~~ four thousand*  
11 *three hundred eighty-three dollars (\$4,383) multiplied by the number of*  
12 *identified alternative learning environment students enrolled during the*  
13 *previous school year.*

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15 *SECTION 3. Arkansas Code § 6-20-2305(b)(3)(A) and (B), concerning per-*  
16 *student state categorical funding amounts for English-language learners, are*  
17 *amended to read as follows:*

18 *(3)(A) For the ~~2011-2012~~ 2013-2014 school year, funding for*  
19 *students who are identified as English-language learners shall be ~~two hundred~~*  
20 *~~ninety-nine dollars (\$299)~~ three hundred eleven dollars (\$311) for each*  
21 *identified English-language learner.*

22 *(B) For the ~~2012-2013~~ 2014-2015 school year and each*  
23 *school year thereafter, funding for students who are identified as English-*  
24 *language learners shall be ~~three hundred five dollars (\$305)~~ three hundred*  
25 *seventeen dollars (\$317) for each identified English-language learner.*

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27 *SECTION 4. Arkansas Code § 6-20-2305(b)(4)(A)(i)-(iii), concerning*  
28 *per-student state categorical funding amounts for national school lunch*  
29 *students, are amended to read as follows:*

30 *(i) For a school district in which ninety percent*  
31 *(90%) or greater of the previous school year's enrolled students are national*  
32 *school lunch students, the amount of per-student national school lunch state*  
33 *categorical funding shall be ~~one thousand five hundred eighteen dollars~~*  
34 *~~(\$1,518) for the 2011-2012 school year, and is one thousand five hundred~~*  
35 *~~forty-nine dollars (\$1,549) for the 2012-2013 school year and for each school~~*  
36 *~~year thereafter;~~*

1 (ii) For school districts in which at least seventy  
2 percent (70%) but less than ninety percent (90%) of the previous school  
3 year's enrolled students are national school lunch students, the amount of  
4 per-student national school lunch state categorical funding ~~shall be one~~  
5 ~~thousand twelve dollars (\$1,012) for the 2011-2012 school year, and is one~~  
6 ~~thousand thirty-three dollars (\$1,033) for the 2012-2013 school year and for~~  
7 ~~each school year thereafter; and~~

8 (iii) For school districts in which less than  
9 seventy percent (70%) of the previous school year's enrolled students are  
10 national school lunch students, the amount of ~~per-student~~ per-student  
11 national school lunch state categorical funding ~~shall be five-hundred-six~~  
12 ~~dollars (\$506) for the 2011-2012 school year, and is five hundred seventeen~~  
13 ~~dollars (\$517) for the 2012-2013 school year and each school year thereafter.~~

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15 SECTION 5. Arkansas Code § 6-20-2305(b)(5)(A) and (B), concerning per-  
16 student state categorical funding amounts for professional development, are  
17 amended to read as follows:

18 (5)(A) For the ~~2011-2012~~ 2013-2014 school year, professional  
19 development funding shall be equal to an amount of up to ~~fifty-one dollars~~  
20 ~~(\$51.00)~~ fifty-three dollars (\$53.00) multiplied by the school district's  
21 previous school year average daily membership.

22 (B) For the ~~2012-2013~~ 2014-2015 school year and each school  
23 year thereafter, professional development funding shall be equal to an amount  
24 of up to ~~fifty-two dollars (\$52.00)~~ fifty-four dollars (\$54.00) multiplied by  
25 the school district's previous school year average daily membership.

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27 SECTION 6. DO NOT CODIFY. TEMPORARY LANGUAGE.

28 (a) The General Assembly finds that:

29 (1) It is the duty of the State of Arkansas to provide a  
30 general, suitable, and efficient system of free public schools to the  
31 children of the state, under Arkansas Constitution, Article 14, § 1;

32 (2) The General Assembly is obligated to ensure the provision of  
33 an adequate and equitable system of education;

34 (3) The House Committee on Education, the Senate Committee on  
35 Education, and the Eighty-ninth General Assembly examined national school  
36 lunch state categorical funding to determine how the funding affects student

1 achievement;

2 (4) While the state's goal in providing national school lunch  
3 state categorical funding is to provide a greater level of resources to  
4 school districts with the highest concentration of economically disadvantaged  
5 students, the current method of funding should be improved to better meet  
6 that goal;

7 (5) The evidence presented to the House Committee on Education,  
8 the Senate Committee on Education, and the Eighty-ninth General Assembly  
9 indicates that the method in which national school lunch state categorical  
10 funding is distributed should change;

11 (6) Evidence presented to the House Committee on Education and  
12 the Senate Committee on Education in March 2013 shows that the current method  
13 of funding national school lunch state categorical amounts should be revised  
14 to align more directly with student achievement;

15 (7) The current method of distributing national school lunch  
16 state categorical funding does not differentiate between the family income  
17 levels of students who are at significantly different poverty levels;

18 (8) A change in the method of distributing national school lunch  
19 state categorical funding should produce a greater alignment of funding with  
20 concentrations of national school lunch students and focus the existing  
21 resources on programs associated with achievement gains for economically  
22 disadvantaged and low-performing students;

23 (9) School districts should only be permitted to use national  
24 school lunch state categorical funding to fund evidence-based programs  
25 directed at improving student achievement for economically disadvantaged and  
26 low-performing students;

27 (10) The House Committee on Education and the Senate Committee  
28 on Education, meeting jointly, adopted two recommendations for national  
29 school lunch state categorical funding:

30 (A) Replace the current national school lunch state  
31 categorical funding mechanism with a model that provides funding for  
32 economically disadvantaged students on a sliding scale; and

33 (B) Prioritize and focus school districts' allowable uses  
34 of educational funding for economically disadvantaged students;

35 (11) The recommendations in subdivision (10) were adopted  
36 partially in response to a report by the Bureau of Legislative Research

1 indicating that current national school lunch state categorical funding  
2 levels have not achieved desired achievement gains. The bureau also found  
3 that the number of allowed uses for national school lunch state categorical  
4 funding may dilute the impact of the funding but that further study would be  
5 necessary to determine whether this is so;

6 (12) While these concerns are important, the General Assembly  
7 has not had sufficient time to act on the findings and recommendations of the  
8 House Committee on Education and the Senate Committee on Education to find  
9 the best possible solution to the identified problems and recommendations.  
10 More time and study is needed to determine how best to implement the  
11 recommendations. However, it is clear that the evidence strongly suggests  
12 that an increase of national school lunch state categorical funding for the  
13 upcoming school year is unlikely to produce the expected increase in academic  
14 achievement for the students for whom the funding is provided.

15 (b) The House Committee on Education and the Senate Committee on  
16 Education, in conjunction with the bureau and the Department of Education,  
17 shall conduct a study and make the following recommendations to the Eighty-  
18 ninth General Assembly for consideration during the 2014 Fiscal Session:

19 (1) A list of evidence-based programs for which national school  
20 lunch state categorical funds may be expended by school districts; and

21 (2) A new national school lunch state categorical funding  
22 formula to replace the current national school lunch state categorical  
23 funding mechanism with a model that:

24 (A) Provides funding for economically disadvantaged  
25 students on a sliding scale; and

26 (B) Weights the funding to provide more money to school  
27 districts for students who, under federal poverty guidelines, qualify for  
28 free meals than it provides to students who qualify for reduced-priced meals.

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30 SECTION 7. EMERGENCY CLAUSE. It is found and determined by the  
31 General Assembly of the State of Arkansas that it is the state's  
32 constitutional obligation to provide a general, suitable, and efficient free  
33 system of public schools in the state; that the public school funding  
34 distribution changes in this act are necessary to ensure that proper funding  
35 is provided to public schools and school districts; and that this act is  
36 immediately necessary so that public schools and school districts will

1 receive the amount of funding provided under this act for the 2013-2014  
2 school year. Therefore, an emergency is declared to exist and this act being  
3 immediately necessary for the preservation of the public peace, health, and  
4 safety shall become effective on July 1, 2013.

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/s/McLean

APPROVED: 04/22/2013



1 State of Arkansas  
2 88th General Assembly  
3 Regular Session, 2011  
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As Engrossed: H3/17/11 H3/24/11 S3/28/11

# A Bill

HOUSE BILL 2033

5 By: Representatives Vines, Barnett, Rice, Eubanks, Wren  
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## For An Act To Be Entitled

8 AN ACT TO AMEND THE TELECOMMUNICATIONS REGULATORY  
9 REFORM ACT OF 1997; AND FOR OTHER PURPOSES.  
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### Subtitle

11  
12 TO AMEND THE TELECOMMUNICATIONS  
13 REGULATORY REFORM ACT OF 1997  
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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19 SECTION 1. Arkansas Code § 23-17-409(b), concerning the authorization  
20 of competing local exchange carriers in the Telecommunications Regulatory  
21 Reform Act of 1997, is amended to read as follows:

22 (b)(1) A Except as provided in subdivision (b) of this section, a  
23 government entity may not provide, directly or indirectly, basic local  
24 exchange, voice, data, broadband, video, or wireless telecommunication  
25 service.

26 (2) After reasonable notice to the public and a public hearing,  
27 a governmental entity owning an electric utility system or television signal  
28 distribution system may provide, directly or indirectly, voice, data,  
29 broadband, video, or wireless telecommunications service, and make any  
30 telecommunications capacity or associated facilities that it now owns, or may  
31 hereafter construct or acquire, available to the public upon terms and  
32 conditions as may be established by its governing authority, except the  
33 government entity may not use the telecommunications capacity or facilities  
34 to provide, directly or indirectly, basic local exchange service.

35 (3) Any restriction contained in this subsection shall not  
36 be applicable to the provision of telecommunications services or



1 facilities to the extent used solely for 911, E911, other emergency and law  
2 enforcement services, educational or medical purposes, or for the provision  
3 of data, broadband, or non-entertainment video telecommunications services or  
4 facilities by an educational or to a medical institution or institution of  
5 higher education to its students, faculty, staff, or patients, as the  
6 provision relates to academic, research, and healthcare information  
7 technology applications under the Arkansas Information Systems Act of 1997, §  
8 25-4-101 et seq.

9 (4) This section does not prohibit a governmental entity from  
10 purchasing voice, data, broadband, video, or wireless telecommunications  
11 services directly or indirectly from a private provider through a contract  
12 administered and services managed by the Department of Information Systems  
13 under the Arkansas Information Systems Act of 1997, § 25-4-101 et seq.

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15 /s/Vines

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18 APPROVED: 04/01/2011  
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