

# ARKANSAS GENERAL ASSEMBLY

## HOUSE INTERIM COMMITTEE ON EDUCATION and SENATE INTERIM COMMITTEE ON EDUCATION

Senator Johnny Key  
Senate Chair

Representative James McLean  
House Chair

February 25, 2014

Senator Michael Lamoureux  
President Pro Tempore  
Arkansas Senate  
Room 320, State Capitol  
Little Rock, Arkansas 72201

Representative Davy Carter  
Speaker of the House  
Arkansas House of Representatives  
Room 350, State Capitol  
Little Rock, Arkansas 72201

**Re: Review of the NSLA Categorical Funding Pursuant to Section 6 of Act 1467 of 2013**

Dear President Lamoureux and Speaker Carter:

The House Interim Committee on Education and the Senate Interim Committee on Education (Education Committees), pursuant to Section 6 of Act 1467 of 2013 (enclosed), have met several times with various stakeholders and held one (1) formal meeting to review and discuss the myriad of issues surrounding National School Lunch Act (NSLA) Categorical Funding for poverty students. As a result of these meetings, the Education Committees make the following recommendations:

1. Leave the current funding methodology for NSLA Categorical Funding in place;
2. Continue to study and discuss the issues related to NSLA Categorical Funding; and
3. Strive to have recommendations regarding allowable use(s) of and the distribution methodology for NSLA Categorical Funding in the 2014 Adequacy Report.

The members of the Education Committees look forward to working with you and the members of the 89<sup>th</sup> General Assembly to ensure the continued adequacy of our state's system of public education.

Sincerely,

  
Senator Johnny Key  
Chair  
Senate Interim Committee on Education

  
Representative James McLean  
Chair  
House Interim Committee on Education

Attachment

cc: The Honorable Mike Beebe, Governor, State of Arkansas

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

4  
5 By: Representative McLean  
6 By: Senators J. Key, *Elliott*

7  
8 **For An Act To Be Entitled**

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

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14 **Subtitle**

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

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

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

25 *(2)(A) For the ~~2011-2012~~ 2013-2014 school year, the foundation*  
26 *funding amount is equal to ~~six thousand one hundred forty-four dollars~~*  
27 *~~(\$6,144)~~ six thousand three hundred ninety-three dollars (\$6,393) multiplied*  
28 *by the school district's average daily membership for the previous school*  
29 *year.*

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

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36 *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.*

14

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.*

26

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.

29  
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