

1 **State of Arkansas**  
2 **80th General Assembly**  
3 **Regular Session, 1995**

# **A Bill**

**ACT 915 OF 1995**  
**HOUSE BILL 1282**

4 **By: Representatives Thicksten, Bisbee, McGinnis, and Argue**

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## **For An Act To Be Entitled**

8 "AN ACT TO ENSURE THAT A FISCAL OR ACADEMIC CRISIS WILL  
9 NOT INTERRUPT EDUCATIONAL SERVICES PROVIDED TO STUDENTS BY  
10 AUTHORIZING THE STATE DEPARTMENT OF EDUCATION TO ASSIST  
11 ARKANSAS SCHOOL DISTRICTS IN FISCAL OR ACADEMIC DISTRESS;  
12 AND FOR OTHER PURPOSES."

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## **Subtitle**

15 "TO ENSURE THAT A FISCAL OR ACADEMIC  
16 CRISIS WILL NOT INTERRUPT EDUCATIONAL  
17 SERVICES PROVIDED TO STUDENTS."

18

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

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21 SECTION 1. The purpose of this act shall be to improve the capacity of  
22 local school districts whose students are not achieving at academically  
23 desired levels and local school districts in fiscal distress through targeted  
24 assistance coordinated by the Department of Education.

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26 SECTION 2. The State Department of Education is hereby authorized to  
27 develop indicators of fiscal distress and academic distress in school  
28 districts and to promulgate the necessary rules and regulations so that the  
29 Director of the General Education Division of the State Department of  
30 Education shall provide technical assistance to school districts determined by  
31 the director to be in fiscal or academic distress and shall ensure, to the  
32 extent possible, that a fiscal crisis or an academic crisis will not interrupt  
33 the educational services provided to the students of a school district.

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35 SECTION 3. (a) For purposes of this act, a school district in academic  
36 distress shall mean any school district whose students do not score at levels

1 established by the Department of Education on the Arkansas Writing Assessment,  
2 the Stanford 8 Achievement Test, the exit examination administered by the  
3 State Department of Education, or any other test approved by the department.

4 (b) For purposes of this act, a school district in fiscal distress  
5 shall mean any school district that has a steadily declining balance, as  
6 defined by the Department of Education.

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8 *SECTION 4. By March 1, 1996, the State Board of Education shall*  
9 *promulgate rules and regulations to establish and implement a program for*  
10 *identifying, evaluating, assisting, and addressing school districts in fiscal*  
11 *or academic distress. The State Board of Education shall further promulgate*  
12 *rules and regulations by which a school district shall be classified as a*  
13 *Phase I, II, or III district and by which a local school board may appeal to*  
14 *the State Board any ruling by the Department of Education that is relative to*  
15 *classification under this act. An appeal shall be made within thirty (30)*  
16 *days of the ruling, and the State Board shall act on the appeal within sixty*  
17 *(60) days.*

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19 *SECTION 5. (a) Prior to the beginning of the 1996-97 school year, and*  
20 *each school year thereafter, the Department of Education shall identify all*  
21 *school districts that are in academic or fiscal distress and shall further*  
22 *document any school districts that meet the criteria for academic or fiscal*  
23 *distress but which, after investigation, the department determines are not in*  
24 *academic or fiscal distress.*

25 (b) Those school districts identified by the department as being in  
26 academic or fiscal distress shall be classified as Phase I school districts.

27 (c) A district classified as a Phase I school district shall develop  
28 and file with the Department of Education a school improvement plan to address  
29 any areas in which the school district is experiencing academic or fiscal  
30 distress as identified by the department.

31 (d) The department shall provide technical assistance to any district  
32 classified as a Phase I district.

33 (e) If a district does not file a school improvement plan with the  
34 department, the district shall be immediately classified as a Phase II school  
35 district.

1 (f) The Department of Education shall monitor the progress of school  
2 districts in Phase I. If the department determines that a district is not  
3 implementing its school improvement plan according to department regulations,  
4 the district shall be immediately classified as a Phase II school district.

5 (g) Districts that are implementing school improvement plans shall  
6 continue to be classified as a Phase I school district for the remainder of  
7 the school year.

8 (h) The department shall not take over the operation of a Phase I or  
9 Phase II school district.

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11 SECTION 6. (a) During the 1997-98 school year, and each school year  
12 thereafter, the department shall determine which school districts shall be  
13 classified as Phase I districts or Phase II districts. A school district may  
14 be classified a Phase I district for more than one (1) year.

15 (b) During the 1997-98 school year, and each school year thereafter,  
16 only those districts classified as Phase II districts by the Director of the  
17 General Education Division of the Department of Education, shall be required  
18 to receive on-site technical assistance by a team of educators assigned by the  
19 department to work directly with the districts.

20 (c) During the first six (6) months of the school year in which a  
21 district is classified as a Phase II district, the department team shall  
22 evaluate and make recommendations to the district superintendent regarding the  
23 *staffing of the district and concerning* fiscal or academic policies or  
24 practices of the district, if necessary to address the fiscal or academic  
25 distress of the district as defined by the department.

26 (d) The recommendations of the department shall be binding on the  
27 district, the superintendent, and the school board; provided, however, that it  
28 shall be the duty of the district to follow all Arkansas laws.

29 (e) A district classified as a Phase II school district that fails to  
30 follow recommendations of the department shall be immediately classified as a  
31 Phase III school district.

32 (f) At the conclusion of the 1997-98 school year, and each year  
33 thereafter, the department shall report the progress of all districts  
34 classified as Phase II school districts to the State Board of Education.

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1 SECTION 7. (a) Those school districts that do not meet the  
2 department's criteria for repeating procedures set forth for Phase II and  
3 those districts that did not follow the recommendations of the department for  
4 a Phase II school district shall be classified as a Phase III school district.

5 (b) During the 1998-99 school year, and each year thereafter until the  
6 school district is no longer classified as a Phase III district, the  
7 Department of Education shall have the following authority in dealing with any  
8 district classified as a Phase III school district:

9 (1) Authority to require the superintendent to relinquish all  
10 authority with respect to the district, to appoint an individual to operate  
11 the district under the supervision of the Director of the General Education  
12 Division of the Department of Education, and to compensate non-Department of  
13 Education employees for operating the district using the salary formerly given  
14 to the district superintendent.

15 (2) To have all powers and duties of the local school board under  
16 § 6-13-620.

17 (3) To determine that it is in the best interests of the students  
18 in the district to continue operation of the district or that annexation to an  
19 adjacent district or districts is necessary.

20 (4) To call for the election of a new school board for the  
21 district, in which case the district shall reimburse the county board of  
22 education for election costs as otherwise required by law.

23 (5) To allow the district to operate without a local school board  
24 under supervision of the local school district administration.

25 (6) To turn the administration of the district over to the former  
26 board or a newly elected school board.

27 (7) To waive the application of Arkansas law, with the exception  
28 of §§ 6-17-1501 and 6-17-1701, or Department of Education rules and  
29 regulations.

30 (8) To compensate non-Department of Education employees for  
31 assisting Phase III districts from set-aside funds authorized under  
32 § 6-20-313.

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34 SECTION 8. (a) If it is in the best interests of students in a  
35 district classified as a Phase III school district to be annexed to another

1 district or districts, as determined by the department, the department shall  
2 hold a public hearing to discuss the annexation of the district.

3 (b) After the public hearing, the State Board of Education may annex  
4 the district to another district or districts upon a majority vote of the  
5 members of the board.

6 (c) If the State Board of Education annexes the district, the board  
7 shall have exclusive authority to determine the boundary lines of the new  
8 district or districts and to allocate the assets and liabilities of the  
9 district.

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11 SECTION 9. Any district that appeals the decision of the State Board of  
12 Education in regard to annexation shall file the appeal in Pulaski County  
13 Circuit Court. Jurisdiction and venue shall not lie in any other court *or the*  
14 *circuit court in the county where the administrative office of the district is*  
15 *located.*

16 SECTION 10. Arkansas Code Annotated § 6-20-313 is hereby amended by  
17 adding a subsection (7) to read as follows:

18 "(7) Funds shall also be set aside for use by the Department of  
19 Education for intervention in schools identified as being in fiscal or  
20 academic distress and to compensate non-Department of Education employees for  
21 assisting districts classified as a Phase III school district."

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23 SECTION 11. All provisions of this act of a general and permanent  
24 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas  
25 Code Revision Commission shall incorporate the same in the Code.

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27 SECTION 12. If any provision of this act or the application thereof to  
28 any person or circumstance is held invalid, such invalidity shall not affect  
29 other provisions or applications of the act which can be given effect without  
30 the invalid provision or application, and to this end the provisions of this  
31 act are declared to be severable.

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33 SECTION 13. All laws and parts of laws in conflict with this act are  
34 hereby repealed.

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***As Engrossed: 1/23/95 1/27/95 4/4/95***

**HB 1282**

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/s/Thicksten, et al

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APPROVED: 4-5-95

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