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2 88th General Assembly
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4

As Engrossed: S3/1/11 S3/10/11

A Bill

SENATE BILL 353

5 By: Senator M. Lamoureux
6

For An Act To Be Entitled

8 AN ACT TO CLARIFY FUNDING FOR ISOLATED SCHOOL
9 DISTRICTS; AND FOR OTHER PURPOSES.
10

Subtitle

11 TO CLARIFY FUNDING FOR ISOLATED SCHOOL
12 DISTRICTS.
13

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16
17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
18

19 SECTION 1. Arkansas Code § 6-20-601(b) – (e), concerning qualifications
20 for receiving isolated funding, is amended as follows:

21 (b) An isolated school district shall be eligible to receive isolated
22 funding under this section if:

23 (1) The school district's budget is prepared by the ~~local~~ school
24 district with Department of Education approval;

25 (2) The school district has ~~an~~ a prior-year three-quarter
26 average daily membership of less than three hundred fifty (350); and

27 (3) The school district and each school within the school
28 district meets the minimum standards for accreditation of public schools
29 prescribed by law and regulation.

30 (c) Any school district designated as an isolated school district for
31 the 1996-1997 fiscal year that used geographic barriers as one (1) of the
32 four (4) criteria necessary to receive isolated funding shall be allowed to
33 continue to use geographic barriers as a criterion for future allocations of
34 isolated funding.

35 (d)(1) State financial aid in the form of isolated funding shall be
36 provided to ~~local~~ school districts qualifying under this section ~~and shall be~~



1 ~~calculated as follows:~~

2 ~~(350 Previous year's average daily membership) divided by eight~~
 3 ~~hundred fifty (850) times the previous year's average daily membership times~~
 4 ~~the base local revenue per student.~~

5 (2) There ~~shall be~~ are two (2) categories of isolated funding:

6 (A) Category I isolated funding shall be provided to all
 7 school districts that qualify under this section and shall be calculated as:

8 (i) Three hundred fifty (350) minus the prior-year
 9 three-quarter average daily membership; divided by

10 (ii) Eight hundred fifty (850); multiplied by

11 (iii) The prior-year three-quarter average daily
 12 membership; and multiplied by

13 (iv) The per-student foundation funding amount under
 14 § 6-20-2305(a)(2); and

15 (B) Category II isolated funding shall be ~~further~~
 16 additionally provided to those school districts that qualify under this
 17 section and have ~~an~~ a prior-year three-quarter average daily membership
 18 density ratio of less than one and two-tenths (1.2) students per square mile
 19 and shall be calculated at fifty percent (50%) of Category I funding.

20 ~~(3)(A) Those school districts that qualify under this section~~
 21 ~~and~~ An isolated school district whose local revenue per student exceeds the
 22 ~~base local revenue per student~~ per-student revenue exceeds the per-student
 23 foundation funding amount shall receive isolated funding calculated as
 24 follows:

25 (i) The sum of ~~(Category I plus Category II);~~ minus
 26 ~~(base local revenue per student minus local revenue per student) times the~~
 27 ~~previous year's~~

28 (ii) The per-student foundation funding amount;
 29 minus

30 (iii) The school district's per-student revenue; and
 31 multiplied by

32 (iv) The prior-year three-quarter average daily
 33 membership.

34 (B) As used in this subdivision (d)(3), "revenue" has the
 35 same meaning as defined in § 6-20-2303.

36 ~~(4) In the event that the statewide amount for isolated funding~~

1 ~~calculated pursuant to this section is less than the amount appropriated for~~
 2 ~~isolated funding, the State Board of Education may include a funding factor~~
 3 ~~in the calculation in § 6-20-303(14)(A) [repealed] in order to expend up to~~
 4 ~~the appropriated amount.~~

5 (e)(1) Except as provided under subdivision (e)(2) of this section, No
 6 a school district that ~~may qualify~~ qualifies under ~~other law~~ § 6-20-603 to
 7 receive additional state aid because its prior-year three-quarter average
 8 daily membership is less than three hundred fifty (350) ~~shall be~~ is not
 9 eligible to receive funding under this section ~~except that a district~~
 10 ~~qualifying under other law for such aid and qualifying for funds under this~~
 11 ~~section may elect to receive funds under this section in lieu of aid under~~
 12 ~~the other.~~

13 (2) A school district may elect to receive funding under this
 14 section in lieu of funding under § 6-20-603 if the school district qualifies
 15 for funding under § 6-20-603 and for funding under this section.

16
 17 SECTION 2. Arkansas Code § 6-20-602(b)(2)(D), concerning isolated
 18 schools funding, is amended to read as follows:

19 (D)(i) Except under subdivision (b)(2)(D)(ii) of this
 20 section, ~~The~~ the state board ~~is not authorized to~~ shall not require the
 21 closure of all or part of an isolated school ~~or any parts thereof~~ without a
 22 motion from the local board of directors as required under subdivision
 23 (b)(2)(A) of this section.

24 (ii) *This section shall not be construed to restrict*
 25 *the authority of the Department of Education and the state board otherwise*
 26 *granted by law.*

27
 28 SECTION 3. Arkansas Code §6-20-603(b) – (i), concerning continued
 29 support of isolated school districts, is amended to read as follows:

30 (b) Each school year, state financial aid in the form of isolated
 31 funding shall be provided to school districts containing an isolated school
 32 area in an amount equal to the ~~prior-year's~~ prior-year three-quarter average
 33 daily membership of the isolated school area multiplied by the per student
 34 isolated funding amount for the isolated school areas as set forth under
 35 column "C" of subsection (a) of this section.

36 (c) A school district may not receive isolated funding under this

1 section for an isolated school area if the ~~prior-year's~~ prior-year three-
2 quarter average daily membership of the isolated school area exceeds three
3 hundred fifty (350).

4 (d) A school district receiving isolated funding for an isolated
5 school area shall expend the funds solely for the operation, maintenance, and
6 support of the isolated school area.

7 (e)(1) Except as provided under subdivision (e)(2) of this section, A
8 a school district or isolated school area that may qualify qualifies under
9 ~~other law § 6-20-601~~ to receive additional state aid because its prior-year
10 three-quarter average daily membership is less than three hundred fifty (350)
11 ~~shall not be~~ is not eligible to receive funding under this section ~~except~~
12 ~~that a district qualifying under other law for such aid and qualifying for~~
13 ~~funds under this section may elect to receive funds under this section in~~
14 ~~lieu of aid under the other law.~~

15 (2) A school district may elect to receive funding under this
16 section in lieu of funding under § 6-20-601 if the school district qualifies
17 for funding under § 6-20-601 and for funding under this section.

18 (f) For the purposes of this section, school districts with isolated
19 school areas shall account for the average daily membership of all schools
20 located in the isolated school ~~area~~ areas as required by the Department of
21 Education and shall submit reports as required by the department.

22 (g) The department shall distribute isolated funding under this
23 section in two (2) payments per school year.

24 (h) This section does not determine a school district's qualification
25 as an isolated school district under § 6-20-601 as required to prohibit the
26 closing of an isolated school in § 6-20-602.

27 (i)(1)(A) ~~Except as provided under § 6-20-604(g), a school district~~
28 ~~eligible to receive isolated funding under this section shall continue to~~
29 ~~receive partial funding even if all or part of an isolated school is closed.~~

30 (2) ~~If all or part of an isolated school area in a school~~
31 ~~district is closed, the school district shall receive funding based on the~~
32 ~~prior-year's~~ prior-year three-quarter average daily membership of the
33 isolated school area ~~or the part of the isolated school that remains open.~~

34 (B) If part of an isolated school area in a school
35 district is closed, the school district funding is based on the prior-year
36 three-quarter average daily membership of the part of the isolated school

1 area that remains open.

2 (C) Funding received by a school district under this
3 subsection (i) is restricted for use at the closed isolated school area or
4 for transporting students of the closed isolated school area to another
5 school in the district.

6 (2) If a closed isolated school area is subsequently used by the
7 school district for an alternative learning environment program or other
8 regular classroom teaching, the school district using the now closed isolated
9 school area may submit prior-year three-quarter average daily membership to
10 the state to request funding under this section.

11
12 SECTION 4. Arkansas Code § 6-20-604 is amended to read as follows:

13 6-20-604. Additional funding.

14 (a) The General Assembly finds that school districts that contain
15 isolated schools need additional funding to provide an adequate education for
16 students attending schools in those school districts.

17 (b) A school district shall receive special needs funding under
18 subsections (c), (d), or (e) of this section if the school district meets the
19 requirements of ~~subsections (e)-(f)~~ subsections (c), (d), or (e),
20 respectively, of this section, and if:

21 (1) The school district was consolidated or annexed or received
22 an annexed school under § 6-13-1601 et seq.;

23 (2) The local school board of directors by majority vote
24 determines that the isolated school is so isolated that to combine its
25 operation to one (1) school district campus would be impractical or unwise;
26 and

27 (3) The isolated school or school district:

28 (A) ~~Filed~~ Meets the requirements of § 6-20-601 and filed
29 an affidavit of isolated school status with the State Board of Education
30 during the consolidation or annexation process, and the facts of the
31 affidavit are verified by the state board or its designee ~~to meet the~~
32 ~~requirements of § 6-20-601;~~

33 (B) ~~Filed~~ Meets the requirements of § 6-20-601 and filed
34 an affidavit of isolated school status with the state board after the
35 consolidation or annexation process or with regard to the 2006-2007 school
36 year no later than June 1, 2006, and the facts of the affidavit are verified

1 by the state board or its designee ~~to meet the requirements of § 6-20-601~~; or

2 (C) Filed Meets the requirements of § 6-20-601 but for the
3 prior-year three-quarter average daily membership requirement of three
4 hundred fifty (350) students or fewer and filed an affidavit of isolated
5 school status with the state board after the consolidation or annexation
6 process or with regard to the 2006-2007 school year no later than June 1,
7 2006, and the facts of the affidavit are verified by the state board or its
8 designee ~~to meet the requirements of § 6-20-601 but for the average daily~~
9 ~~membership requirements of three hundred fifty (350) students or fewer.~~

10 (c) A school district meeting the requirements of subsection (b) of
11 this section shall receive an additional amount equal to twenty percent (20%)
12 of the per-student foundation funding amount received by the school district
13 under § 6-20-2305(a)(2) multiplied by the prior-year three-quarter average
14 daily membership for the school district to be used for the operation of the
15 isolated school areas if the school district has:

16 (1) School facilities serving students in any grade in
17 kindergarten through grade twelve (K-12), in one (1) or more isolated schools
18 meeting the requirements of subsection (b) of this section;

19 (2) A prior-year three-quarter average daily membership for the
20 school district of five hundred (500) or less ~~in the preceding school year~~;
21 and

22 (3) A density ratio of one and three-tenths (1.3) students or
23 less per square mile.

24 (d) A school district meeting the requirements of subsection (b) of
25 this section shall receive an additional amount equal to fifteen percent
26 (15%) of the per-student foundation funding amount received by the school
27 district under § 6-20-2305(a)(2) multiplied by the prior-year three-quarter
28 average daily membership for the school district to be used for the operation
29 of the isolated school areas if the school district has:

30 (1) School facilities open for kindergarten through grade twelve
31 (K-12) in two (2) or more isolated schools meeting the requirements of
32 subsection (b) of this section and meeting the requirements of § 6-20-601 and
33 if both isolated schools were annexed under § 6-13-1601 et seq.;

34 (2) A prior-year three-quarter average daily membership for the
35 school district of five hundred one (501) to one thousand (1,000) ~~in the~~
36 ~~preceding school year~~; and

1 (3) A density ratio of one and four-tenths (1.4) students or
2 less per square mile.

3 (e)(1) Except as provided in subdivision (e)(2) of this section, a
4 school district meeting the requirements of subsection (b) of this section
5 shall receive an additional amount equal to ten percent (10%) of the per-
6 student foundation funding amount received by the school district under § 6-
7 20-2305(a)(2) ~~based on the~~ multiplied by the prior-year three-quarter average
8 daily membership of the isolated school area ~~under § 6-20-2305(a)(2) to be~~
9 used for the operation of the isolated school area if the school district has
10 school facilities open for kindergarten through grade twelve (K-12) in one
11 (1) or more isolated ~~schools~~ school areas meeting the requirements of
12 subsection (b) of this section.

13 (2) A school district shall receive an additional amount equal
14 to ten percent (10%) of the per-student foundation funding amount received by
15 ~~the school district~~ under § 6-20-2305(a)(2) ~~based on the~~ multiplied by the
16 prior-year three-quarter average daily membership of the isolated school area
17 to be used for the operation of the isolated school area ~~under § 6-20-~~
18 ~~2305(a)(2)~~ if:

19 (A) The school district has school facilities serving
20 students in any grade in kindergarten through grade twelve (K-12) in one (1)
21 or more isolated ~~schools~~ school areas meeting the requirements of subsection
22 (b) of this section; and

23 (B) The school district closed an isolated facility
24 serving students in grades seven through twelve (7-12) between January 1,
25 2008, and July 1, 2008.

26 (f) A school district shall receive an additional amount equal to five
27 percent (5%) of the per-student foundation funding amount received by the
28 ~~school district~~ under § 6-20-2305(a)(2) ~~based on the~~ multiplied by the prior-
29 year three-quarter average daily membership of the school district if the
30 school district has a:

31 (1) ~~Three-quarter~~ Prior-year three-quarter average daily
32 membership of less than five hundred (500) students; and

33 (2) Density ratio of two (2) students or less per square mile.

34 (g) A school district eligible for special needs funding under this
35 section shall continue to be eligible to receive isolated school funding
36 provided under § 6-20-603 but shall only receive funding under one (1) of the

1 categories established under subsections (c)-(f) of this section.

2 (h)(1) This section is contingent on the appropriation and
3 availability of funding for its purposes.

4 (2)(A) Undistributed funds under this section and §§ 6-20-601
5 and 6-20-603 ~~allocated to a school district that is no longer eligible to~~
6 ~~receive the funding~~ shall be distributed on an equal basis per school
7 district to each ~~remaining~~ school district that is eligible to receive funds
8 under ~~subsections (c)-(e)~~ subsections (c), (d), or (e) of this section.

9 (B) Funds distributed under subdivision (h)(2)(A) of this
10 section shall be used by the school district only for transportation costs of
11 the isolated ~~schools~~ school areas in the school district.

12 (3) Funding provided under this section is in addition to and in
13 excess of the amount of funds necessary to provide an adequate education as
14 required by the Arkansas Constitution and cannot be relied upon beyond the
15 expiration date of an appropriation made for the purposes of this section.

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/s/M. Lamoureux

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APPROVED: 04/04/2011

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