

1 State of Arkansas  
2 88th General Assembly  
3 Regular Session, 2011  
4

# A Bill

HOUSE BILL 1411

5 By: Representative J. Roebuck  
6 By: Senator J. Jeffress  
7

## For An Act To Be Entitled

9 AN ACT TO CLARIFY FUNDING FOR ISOLATED SCHOOL  
10 DISTRICTS; AND FOR OTHER PURPOSES.  
11

### Subtitle

12  
13 TO CLARIFY FUNDING FOR ISOLATED SCHOOL  
14 DISTRICTS.  
15  
16  
17

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

20 SECTION 1. Arkansas Code § 6-20-601(b), concerning qualifications for  
21 isolated school funding, is amended to read as follows:

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

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

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

28 (3) The district and each school within the district meets the  
29 minimum standards for accreditation of public schools prescribed by law and  
30 regulation.  
31

32 SECTION 2. Arkansas Code § 6-20-601(d) and (e), concerning  
33 qualifications for isolated school funding, is amended to read as follows:

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



1           ~~(350 Previous year's~~ Prior-year three-quarter average daily  
 2 membership) divided by eight hundred fifty (850) ~~times with the result~~  
 3 multiplied by the ~~previous year's~~ prior-year three-quarter average daily  
 4 membership ~~times multiplied by the~~ base local revenue per student foundation  
 5 funding amount per student.

6           (2) There shall be two (2) categories of isolated funding:

7           (A) Category I isolated funding shall be provided to all  
 8 school districts that qualify under this section; and

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

14           (3) Those school districts that qualify under this section and  
 15 whose local revenue per student exceeds the ~~base local revenue~~ foundation  
 16 funding amount per student shall receive isolated funding calculated as  
 17 follows: (Category I plus Category II) minus (~~base local revenue per student~~  
 18 ~~minus local revenue~~ foundation funding amount per student) ~~times with the~~  
 19 result multiplied by the ~~previous year's~~ prior-year three-quarter average  
 20 daily membership.

21           ~~(4) In the event that the statewide amount for isolated funding~~  
 22 ~~calculated pursuant to this section is less than the amount appropriated for~~  
 23 ~~isolated funding, the State Board of Education may include a funding factor~~  
 24 ~~in the calculation in § 6-20-303(14)(A) [repealed] in order to expend up to~~  
 25 ~~the appropriated amount.~~

26           (e) No school district that may qualify under ~~other law~~ § 6-20-603 to  
 27 receive additional state aid because its prior-year three-quarter average  
 28 daily membership is less than three hundred fifty (350) shall be eligible to  
 29 receive funding under this section except that a district qualifying under  
 30 ~~other law~~ § 6-20-603 for such aid and qualifying for funds under this section  
 31 may elect to receive funds under this section in lieu of aid under ~~the other~~  
 32 § 6-20-603.

33  
 34           SECTION 3. Arkansas Code § 6-20-602(b)(2)(D), concerning isolated  
 35 schools, is amended to read as follows:

36           (D)(i) The state board ~~is~~ shall not ~~authorized to~~ require

1 the closure of an isolated school or any parts thereof without a motion from  
 2 the local board of directors as required under subdivision (b)(2)(A) of this  
 3 section, unless the state board determines that the closure of an isolated  
 4 school or any parts thereof is necessary to:

5 (a) Effectuate a subsequent annexation or  
 6 consolidation; or

7 (b) Enforce sanctions related to academic  
 8 distress, fiscal distress, academic facilities distress, or a violation of  
 9 standards for accreditation.

10 (ii) The decision of the state board under this  
 11 section shall be final with no further right of appeal under the Arkansas  
 12 Administrative Procedure Act, § 25-15-201 et seq.

13  
 14 SECTION 4. Arkansas Code § 6-20-602(c), concerning isolated schools,  
 15 is amended to read as follows:

16 (c) Funding for isolated ~~school districts~~ schools shall be expended by  
 17 the resulting or receiving district only on the operation, maintenance, and  
 18 other expenses of the isolated schools within the resulting or receiving  
 19 district.

20  
 21 SECTION 5. Arkansas Code § 6-20-603(b)-(e), concerning continued  
 22 support for isolated school districts, is amended to read as follows:

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

29 (c) A school district may not receive isolated funding under this  
 30 section for an isolated school area if the ~~prior-year's~~ prior-year three-  
 31 quarter average daily membership of the isolated school area exceeds three  
 32 hundred fifty (350).

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

36 (e) A school district or isolated school area that may qualify under

1 ~~other law § 6-20-601~~ to receive additional state aid because its prior-year  
 2 three-quarter average daily membership is less than three hundred fifty (350)  
 3 shall not be eligible to receive funding under this section except that a  
 4 district qualifying under ~~other law § 6-20-601~~ for such aid and qualifying  
 5 for funds under this section may elect to receive funds under this section in  
 6 lieu of aid under ~~the other law § 6-20-601~~.

7  
 8 SECTION 6. Arkansas Code § 6-20-603(i), concerning continued support  
 9 for isolated schools, is amended to read as follows:

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

14 ~~(2) If all or part of an isolated school in a school district is~~  
 15 ~~closed, the~~ The school district shall receive funding based on the ~~prior~~  
 16 ~~year's~~ prior-year three-quarter average daily membership of the:

17 (A) ~~isolated~~ Total isolated school ~~or~~ area if all of an  
 18 isolated school area in a school district is closed; or

19 (B) ~~the part~~ Part of the isolated school area that remains  
 20 open if only a part of an isolated school area in a school district is  
 21 closed.

22 (2) Funding received under this section shall be used at the  
 23 closed isolated school area or for transporting students of the closed  
 24 isolated school areas to another school in the district.

25 (3) If a closed isolated school area is subsequently used by the  
 26 school district for an alternative learning environment program or other  
 27 regular classroom teaching, the school district using the facility may submit  
 28 prior-year three-quarter average daily membership to the state to request  
 29 funding under this section.

30  
 31 SECTION 7. Arkansas Code § 6-20-604(b)-(f), concerning additional  
 32 funding for isolated school areas, is amended to read as follows:

33 (b) A school district shall receive special needs funding under  
 34 subsections (c), (d), or (e) of this section if the school district meets the  
 35 requirements of subsections ~~(e)-(f)~~ (c), (d), or (e) of this section  
 36 respectively, and if:

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

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

7 (3) The isolated school or school district meets the  
8 requirements of § 6-20-601 and:

9 (A) Filed an affidavit of isolated school status with the  
10 State Board of Education during the consolidation or annexation process, and  
11 the facts of the affidavit are verified by the state board or its designee ~~to~~  
12 ~~meet the requirements of § 6-20-601;~~

13 (B) Filed an affidavit of isolated school status with the  
14 state board after the consolidation or annexation process or with regard to  
15 the 2006-2007 school year no later than June 1, 2006, and the facts of the  
16 affidavit are verified by the state board or its designee ~~to meet the~~  
17 ~~requirements of § 6-20-601;~~ or

18 (C) Filed an affidavit of isolated school status with the  
19 state board after the consolidation or annexation process or with regard to  
20 the 2006-2007 school year no later than June 1, 2006, and the facts of the  
21 affidavit are verified by the state board or its designee to meet the  
22 requirements of § 6-20-601 but for the average daily membership requirements  
23 of three hundred fifty (350) students or fewer.

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

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

33 (2) A three-quarter average daily membership for the school  
34 district of five hundred (500) or less in the preceding school year; and

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

1 (d) A school district meeting the requirements of subsection (b) of  
 2 this section shall receive an additional amount equal to fifteen percent  
 3 (15%) of the foundation funding amount per student received by the school  
 4 district under § 6-20-2305(a)(2) multiplied by the prior-year three-quarter  
 5 average daily membership for the school district to be used for the operation  
 6 of the isolated school areas if the school district has:

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

11 (2) A three-quarter average daily membership of the school  
 12 district of five hundred one (501) to one thousand (1,000) in the preceding  
 13 school year; and

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

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

26 (2) A school district shall receive an additional amount equal  
 27 to ten percent (10%) of the foundation funding amount per student received by  
 28 the school district under § 6-20-2305(a)(2) ~~based on~~ multiplied by the prior-  
 29 year three-quarter average daily membership of the isolated school area ~~under~~  
 30 ~~§ 6-20-2305(a)(2) to be used for the operation of the isolated school area~~  
 31 if:

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

36 (B) The school district closed an isolated facility

1 serving students in grades seven through twelve (7-12) between January 1,  
2 2008, and July 1, 2008.

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

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

10 (2) Density ratio of two (2) students or less per square mile.  
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12 SECTION 8. Arkansas Code § 6-20-604(h), concerning additional funding  
13 for isolated school areas, is amended to read as follows:

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

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

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

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