

1 State of Arkansas  
2 90th General Assembly  
3 Regular Session, 2015  
4

# A Bill

HOUSE BILL 1713

5 By: Representative Eubanks  
6 By: Senator U. Lindsey  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND VARIOUS PROVISIONS OF THE ARKANSAS  
10 CODE CONCERNING PUBLIC EDUCATION; AND FOR OTHER  
11 PURPOSES.  
12  
13

## Subtitle

14 TO AMEND VARIOUS PROVISIONS OF THE  
15 ARKANSAS CODE CONCERNING PUBLIC  
16 EDUCATION.  
17  
18  
19

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

22 SECTION 1. Arkansas Code § 6-1-101(b)(9), concerning the review of an  
23 audit report, is amended to read as follows:

24 (9) Teachers' salaries, the ~~Minimum Foundation Program Aid Act~~  
25 Public School Funding Act of 2003, §§ 6-17-803, 6-17-907, 6-17-908, 6-17-911  
26 – 6-17-913, 6-17-918, and 6-17-919;  
27

28 SECTION 2. Arkansas Code § 6-11-101(b)(4), concerning members of the  
29 State Board of Education, is repealed.

30 ~~(4) Nothing in this section shall be construed to change the~~  
31 ~~terms of any member of the state board who was appointed prior to June 3,~~  
32 ~~2004.~~  
33

34 SECTION 3. Arkansas Code § 6-13-611(c), concerning vacancies on school  
35 district boards of directors, is amended to read as follows:

36 (c) ~~All~~ Except as provided under § 6-13-613, all appointed directors



1 shall serve only to the next annual school election, at which time the  
 2 electors shall select in the usual manner directors to serve the unexpired  
 3 terms of the vacating directors.

4  
 5 SECTION 4. Arkansas Code § 6-13-612(c), concerning a vacancy due to a  
 6 conviction of a felony, is amended to read as follows:

7 (c) The remaining members of the board of directors of the school  
 8 district shall ~~at their next regular meeting,~~ under § 6-13-611, select a  
 9 person to fill such vacancy until the next regular school election, at which  
 10 election a successor member shall be elected for the remaining portion of  
 11 such term.

12  
 13 SECTION 5. Arkansas Code § 6-13-1022(c), concerning dissolution of an  
 14 education service cooperative, is amended to read as follows:

15 (c) After payment of debts, the assets of a dissolved education service  
 16 cooperative shall be distributed to the school districts in its service area  
 17 based on each school district's ~~third-quarter~~ three-quarter average daily  
 18 membership for the immediately preceding school year.

19  
 20 SECTION 6. Arkansas Code § 6-15-430(c)(1), concerning the State Board  
 21 of Education authority over a public school or school district in academic  
 22 distress, is amended to read as follows:

23 (c)(1) A student attending a public school or school district  
 24 classified as being in academic distress is automatically eligible and  
 25 entitled pursuant to ~~the Public School Choice Act of 2013, § 6-18-1901 et~~  
 26 ~~seq., or~~ the Arkansas Opportunity Public School Choice Act of 2004, § 6-18-  
 27 227, to transfer to another public school or public school district not in  
 28 academic distress during the time period that the resident public school or  
 29 public school district is classified as being in academic distress.

30  
 31 SECTION 7. Arkansas Code § 6-15-2009(b)-(d), concerning public school  
 32 assessments and remediation, are amended to read as follows:

33 (b)(1) Each student identified as not meeting the satisfactory pass  
 34 levels in the immediate previously administered ~~benchmark~~ state-mandated  
 35 assessment shall participate in the remediation activities as required in the  
 36 student's ~~individualized~~ academic improvement plan beginning in the school

1 year the assessment results are reported.

2 (2) The Department of Education may determine that an  
3 individualized education program for a student with disabilities identified  
4 under the Individuals with Disabilities Education Act, 20 U.S.C. § 1400 et  
5 seq., meets the requirements of an individualized academic improvement plan  
6 under this section if the individualized education program addresses one (1)  
7 or more academic areas in which the student is not proficient on state-  
8 mandated ~~augmented, criterion-referenced, or norm-referenced~~ assessments.

9 (3)(A) The public school district where the student is enrolled  
10 shall notify the student's parent, guardian, or caregiver of the parent's  
11 role and responsibilities as well as the consequences for the student's  
12 failure to participate in the plan.

13 (B) This notice may be provided via student handbooks  
14 issued to students.

15 (4) A student in grades three through eight (3-8) identified as  
16 not passing a ~~benchmark~~ state-mandated assessment and who fails to  
17 participate in the subsequent academic improvement plan shall be retained and  
18 shall not be promoted to the next appropriate grade until:

19 (A) The student is deemed to have participated in an  
20 academic improvement plan; or

21 (B) The student passes the ~~benchmark~~ state-mandated  
22 assessment for the current grade level in which the student is retained.

23 (c)(1) A student required to take an end-of-course assessment who is  
24 identified as not meeting the requisite scale score for ~~a particular~~ the end-  
25 of-course assessment shall participate in the remediation activities as  
26 required in the student's ~~individualized~~ academic improvement plan in the  
27 school year that the assessment results are reported in order to receive  
28 academic credit on his or her transcript for the course related to the end-  
29 of-course assessment.

30 (2) The ~~individualized~~ academic improvement plan shall include  
31 remediation activities focused on those areas in which a student failed to  
32 meet the requisite scale score of an end-of-course assessment.

33 (3) A student who is identified as not meeting the requisite  
34 scale score for an end-of-course assessment shall not receive academic credit  
35 on his or her transcript for the course related to the end-of-course  
36 assessment until the student is identified as having participated in

1 remediation through an ~~individualized~~ academic improvement plan.

2 (d)(1) The state board may require remediation activities and an  
 3 ~~individualized~~ academic improvement plan for a student in ~~grade eleven (11)~~  
 4 ~~or below who does not meet the requisite scale score for a particular college~~  
 5 ~~and career readiness measurement~~ grades in which a state-mandated assessment  
 6 is required.

7 (2) The state board may require that the ~~individualized~~ academic  
 8 improvement plan include one (1) or more opportunities for a student to  
 9 retake the measurement.

10 (3) For the purpose of a college and career readiness  
 11 measurement, remediation shall not require that a student pass a subsequent  
 12 college and career readiness measurement in order to graduate from an  
 13 Arkansas high school.

14  
 15 SECTION 8. Arkansas Code § 6-15-2107(c)(1)(B)(ii), concerning the  
 16 Arkansas School Recognition Program, is amended to read as follows:

17 (ii) Shall be based upon ~~a comparison between~~ the  
 18 results of ~~the 2011-2012 state-mandated assessments and the 2012-2013 state-~~  
 19 ~~mandated assessments.~~

20  
 21 SECTION 9. Arkansas Code § 6-19-114(b)(1), concerning the purchase of  
 22 buses, is amended to read as follows:

23 (b)(1) ~~The~~ Except as provided under § 6-21-306(b), the purchase of  
 24 school buses with loans from the fund shall be made upon competitive bids.

25  
 26 SECTION 10. Arkansas Code § 6-20-402(b)(2)(A), concerning lease-  
 27 purchase agreements and installment contracts, is amended to read as follows:

28 (2)(A) ~~Each~~ A lease-purchase agreement, post-dated warrant, and  
 29 installment contract must have attached thereto a schedule of the rent or  
 30 installments to be paid, showing:

- 31 (i) The payee and any assignee;
  - 32 (ii) The school district;
  - 33 (iii) The purpose of the purchase or payment;
  - 34 (iv) The due date of each installment; and
  - 35 (v) The amount of principal and interest of each
- 36 installment and the fiscal year in which the installment is to be paid.

1  
2 SECTION 11. Arkansas Code § 6-20-407 is repealed.

3 ~~6-20-407. Fraudulent issuance of warrants.~~

4 ~~Any director who shall fraudulently issue any school warrant shall be~~  
5 ~~guilty of a misdemeanor and upon conviction shall be subject to the penalties~~  
6 ~~enumerated in Acts 1874 (Spec. Sess.), No. 14, § 7 [repealed].~~

7  
8 SECTION 12. Arkansas Code § 6-20-601(b)(2), concerning the  
9 qualifications for receiving isolated funding, is amended to read as follows:

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

12  
13 SECTION 13. Arkansas Code § 6-20-604(b)(3)(C), concerning the  
14 qualifications for receiving special needs isolated funding, is amended to  
15 read as follows:

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

23  
24 SECTION 14. Arkansas Code § 6-20-604(d)(2), concerning the  
25 qualifications for receiving special needs isolated funding, is amended to  
26 read as follows:

27 (2) A school district meeting the requirements of subsection (b)  
28 of this section with a three-quarter average daily membership of one thousand  
29 one (1,001) or greater is entitled to receive the funding under this section  
30 for an isolated school area received by the school district in:

31 (A) A consolidation under § 6-13-1401 et seq. or the Public  
32 Education Reorganization Act, § 6-13-1601 et seq.; or

33 (B) An annexation under § 6-13-1401 et seq. or the Public  
34 Education Reorganization Act, § 6-13-1601 et seq.

35  
36 SECTION 15. Arkansas Code § 6-20-604(e)(2), concerning the

1 qualifications for receiving special needs isolated funding, is amended to  
2 add an additional subdivision to read as follows:

3 (C) A school district that is eligible to receive funding  
4 under subdivision (e)(2) of this section must also meet the requirements of  
5 subsection (b) of this section.

6  
7 SECTION 16. Arkansas Code § 6-20-606 is repealed.

8 ~~6-20-606. Phasing out of funding for isolated schools. [Effective July~~  
9 ~~1, 2014].~~

10 ~~When the prior year three quarter average daily membership density~~  
11 ~~ratio of a school district that receives funding under this subchapter is~~  
12 ~~greater than the prior year three quarter average daily membership density~~  
13 ~~ratio for which the school district qualifies for the funding, the funding~~  
14 ~~shall be reduced over a period of ten (10) years by the lesser of ten percent~~  
15 ~~(10%) per year of the funding received in the school year immediately~~  
16 ~~preceding the school year in which the density ratio increased due to the~~  
17 ~~Department of Education's use of different technology for determining the~~  
18 ~~area of the school district.~~

19  
20 SECTION 17. Arkansas Code § 6-20-806(b)-(d), concerning revolving loan  
21 bonds and certificates of indebtedness, are amended to read as follows:

22 (b)(1) Revolving loan bonds and revolving loan certificates of  
23 indebtedness shall be in such form and denomination, shall have such dates  
24 and maturities, shall bear interest payable at such times, and at such rates,  
25 ~~but not to exceed the maximum lawful rate as defined below,~~ shall be payable  
26 at such place or places, shall contain such provisions as to registration of  
27 ownership, if in its opinion registration is desirable, and shall contain  
28 such provisions as to redemption prior to maturity at such prices, including  
29 such premiums, all as the state board shall determine.

30 (2) The bonds and certificates shall have all the qualities of  
31 negotiable instruments under the laws of the State of Arkansas, subject to  
32 the provisions as to registration of ownership set forth above.

33 ~~(c) As used in this section, "maximum lawful rate" means a rate of~~  
34 ~~interest equal to five percent (5%) per annum above the rate for primary~~  
35 ~~credit or its functional equivalent in effect at the Federal Reserve bank in~~  
36 ~~the Federal Reserve district in which Arkansas is located at the time an~~

1 ~~application for a loan is approved.~~

2 ~~(d)(1)(c)(1)~~ The state board shall continually endeavor to keep the  
3 interest rates on revolving loan bonds and revolving loan certificates of  
4 indebtedness as low as possible, consistent with the continued and assured  
5 funding of the revolving loan program.

6 (2) To this end, the state board will obtain and consider  
7 relevant information regarding economic conditions and interest rates on  
8 comparable obligations and shall fix and alter interest rates of revolving  
9 loan bonds and revolving loan certificates of indebtedness as feasible and  
10 appropriate.

11  
12 SECTION 18. Arkansas Code § 6-20-1001 is repealed.

13 ~~6-20-1001. Definition.~~

14 ~~As used in this subchapter, "maximum lawful rate" means a rate of~~  
15 ~~interest equal to five percent (5%) per annum above the rate for primary~~  
16 ~~credit or its functional equivalent in effect at the Federal Reserve bank in~~  
17 ~~the Federal Reserve district in which Arkansas is located at the time a bid~~  
18 ~~for bonds is accepted.~~

19  
20 SECTION 19. Arkansas Code § 6-20-1006(b), concerning maximum lawful  
21 rates of interest, is amended to read as follows:

22 (b) The bonds may be coupon bonds, payable to bearer, or may be  
23 registered as to principal only or as to principal and interest, and may be  
24 made exchangeable for bonds of another denomination, may be in such form and  
25 denomination, may have such date or dates, may be stated to mature at such  
26 time or times, may bear interest payable at such times and at such rate or  
27 rates, ~~not exceeding the maximum lawful rate, as defined in § 6-20-1001,~~ may  
28 be made payable at such places within or without the State of Arkansas, may  
29 be made subject to such terms of redemption in advance of maturity at such  
30 prices, and may contain such terms and conditions, all as the state board  
31 shall determine.

32  
33 SECTION 20. Arkansas Code § 6-20-1008(c), concerning the sale and  
34 award of bonds, is amended to read as follows:

35 (c) The bonds may be sold at such price as the state board may accept,  
36 including sale at a discount, ~~but in no event shall any bid be accepted that~~

1 ~~would require the state board to pay interest on the amount received at a~~  
 2 ~~rate in excess of the maximum lawful rate.~~

3  
 4 SECTION 21. Arkansas Code § 6-20-1203 is amended to read as follows:  
 5 6-20-1203. Bonds to comply with existing statutes.

6 All bonds authorized to be issued under this statute shall be issued in  
 7 full compliance, ~~except as to the limitation on the percentage of assessed~~  
 8 ~~valuation set out in Acts 1931, No. 169, § 60 [repealed],~~ with all of the  
 9 laws governing the issuance of school bonds in effect at the time of their  
 10 issuance.

11  
 12 SECTION 22. Arkansas Code § 6-20-1206(b) and (c), concerning the  
 13 maximum rates of interest, is amended to read as follows:

14 (b) ~~As used in this section, "maximum lawful rate" means a rate of~~  
 15 ~~interest equal to five percent (5%) per annum above the rate for primary~~  
 16 ~~credit or its functional equivalent in effect at the Federal Reserve Bank in~~  
 17 ~~the Federal Reserve district in which Arkansas is located at the time a bid~~  
 18 ~~for bonds is accepted.~~

19 (c) ~~The State Board of Education is authorized to set~~ may establish a  
 20 maximum rate of interest at which school bonds may be sold under the  
 21 conditions stated in subsection (a) of this section ~~at any level below the~~  
 22 ~~maximum lawful rate:~~

23 (1) If the state board establishes a maximum rate of interest  
 24 under subsection (b) of this section, bonds issued under this section shall  
 25 not bear interest at a rate exceeding the maximum rate established by the  
 26 state board.

27 (2) A bond issued under this section may be sold at a discount,  
 28 but in no event shall a school district be required to pay more than the  
 29 maximum rate of interest established by the state board.

30  
 31 SECTION 23. Arkansas Code § 6-20-1217 is repealed.

32 ~~6-20-1217. Refunding bonds—Debt cancellation procedures.~~

33 (a) ~~All refunds of school district bonds shall state on their face that~~  
 34 ~~they are refunding bonds, and no refunding bonds shall be issued until the~~  
 35 ~~debt refunded is cancelled simultaneously with the issue of the refunding~~  
 36 ~~bonds either:~~



1           ~~(1) By the surrender of the bonds being refunded;~~

2           ~~(2) If the outstanding bonds are redeemable before maturity and~~  
 3 ~~have been called for redemption, by the deposit of the money for their~~  
 4 ~~payment upon presentation, according to the terms of the call, in trust with~~  
 5 ~~an escrow agent designated by the Commissioner of Education, and the escrow~~  
 6 ~~agent shall be both the place of payment for the bonds and a bank that is a~~  
 7 ~~member of the Federal Deposit Insurance Corporation; or~~

8           ~~(3) By a combination of the methods set out in subdivisions~~  
 9 ~~(a)(1) and (2) of this section.~~

10          ~~(b)(1) All refunding bonds shall bear a certificate to be signed by the~~  
 11 ~~commissioner that the indebtedness which is refunded has been cancelled.~~

12          ~~(2) No refunding bonds shall be valid until this certificate is~~  
 13 ~~signed by the commissioner and sealed with the seal of the State Board of~~  
 14 ~~Education.~~

15          ~~(3) The commissioner shall:~~

16                 ~~(A) See to it that all refunded bonds are plainly marked~~  
 17 ~~cancelled;~~

18                 ~~(B) Keep a record of such bonds in his or her office and~~  
 19 ~~return the cancelled bonds to the school district board of directors that~~  
 20 ~~issued them; and~~

21                 ~~(C) File in the office of the county treasurer in which the~~  
 22 ~~bonds were originally registered a certificate showing the numbers, dates,~~  
 23 ~~amounts, and maturities of the bonds returned.~~

24  
 25          SECTION 24. Arkansas Code § 6-20-1227 is repealed.

26          ~~6-20-1227. Issuance of bonds for funding nonbonded indebtedness.~~

27          ~~(a)(1) Any school district of Arkansas that has nonbonded indebtedness~~  
 28 ~~at the time of the passage of this act is authorized and empowered in the~~  
 29 ~~manner to be prescribed by regulations of the State Board of Education, upon~~  
 30 ~~written justification therefor approved by the state board, to issue bonds~~  
 31 ~~for the purpose of funding nonbonded indebtedness.~~

32          ~~(2) These bonds shall not be for a period of more than ten (10)~~  
 33 ~~years.~~

34          ~~(3) The board of directors of any school district issuing bonds~~  
 35 ~~under the provisions of this act shall pledge moneys in the general operating~~  
 36 ~~fund of the school district and moneys accruing to such school district from~~

1 ~~the Public School Fund of the State of Arkansas that are not otherwise~~  
2 ~~pledged for teacher salaries or other dedicated purposes as collateral and~~  
3 ~~security for the bonds.~~

4 ~~(b)(1) Before any school district shall request the state board for~~  
5 ~~authority to issue bonds to fund the school district's nonbonded debt, the~~  
6 ~~school district board of directors shall, by a resolution entered upon its~~  
7 ~~records, declare the total amount of the nonbonded indebtedness of the~~  
8 ~~district outstanding as of June 30 preceding the date of such notice, also~~  
9 ~~stating the reasons and justification for issuing bonds to fund the nonbonded~~  
10 ~~indebtedness.~~

11 ~~(2) The resolution shall be published immediately, and at least~~  
12 ~~two (2) weeks prior to the funding, for one (1) insertion in some newspaper~~  
13 ~~published in the county in which the school district is domiciled.~~

14 ~~(3) Anyone in the school district who is dissatisfied may, by a~~  
15 ~~suit in the circuit court of the county, brought within thirty (30) days~~  
16 ~~after the date of the publication, have a review of the correctness of the~~  
17 ~~findings and justification made in the resolution.~~

18 ~~(4)(A) If no suit is brought within thirty (30) days after the~~  
19 ~~date of publication, the findings in the resolution shall be conclusive both~~  
20 ~~as to the total amount of the indebtedness and as to its validity and shall~~  
21 ~~not be open to further attack.~~

22 ~~(B) If the suit is brought, the adjudication shall settle~~  
23 ~~the question, and any appeal taken therefor must be taken and perfected~~  
24 ~~within thirty (30) days. The school district board of directors may request~~  
25 ~~the Division of Legislative Audit or the Commissioner of Education to cause~~  
26 ~~an audit to be made of any and all records of the district or of the county~~  
27 ~~treasurer's records in order to assist the school district board of directors~~  
28 ~~in determining the exact amount of the nonbonded indebtedness outstanding on~~  
29 ~~June 30 preceding the date on which the resolution is adopted.~~

30 ~~(c) Any school district director who shall willfully make any false~~  
31 ~~statement as to the amount of nonbonded indebtedness of the school district~~  
32 ~~of which he or she is a director shall forfeit his or her office and be~~  
33 ~~ineligible to hold any other office of profit or trust in the State of~~  
34 ~~Arkansas.~~

35 ~~(d)(1) Bonds issued under the provisions of this act to fund a school~~  
36 ~~district's nonbonded debt shall be obligations of the school district and the~~

1 individual members of the board of directors of such school district shall  
 2 not be personally liable therefor unless such school district board members  
 3 were guilty of fraud in the issuance of such bonds.

4 ~~(2) No election by the electors of the school district shall be~~  
 5 ~~required to approve the issuance of bonds to fund the school district's~~  
 6 ~~nonbonded indebtedness under the provisions of this act.~~

7  
 8 SECTION 25. Arkansas Code § 6-20-2303(12), concerning the definition  
 9 of "national school lunch students", is amended to read as follows:

10 (12)(A) "National school lunch students" means those students or  
 11 the percentage of enrolled students from low socioeconomic backgrounds as  
 12 indicated by eligibility for free or reduced-price meals under the National  
 13 School Lunch Act, 42 U.S.C. § 1751 et seq., as determined on October 1 of  
 14 each previous school year and submitted to the Department of Education,  
 15 unless the school district is identified by the Department of Education as  
 16 participating in the special assistance certification and reimbursement  
 17 alternative implemented under 42 U.S.C. § 1759a, ~~as interpreted in 7 C.F.R. §~~  
 18 ~~245.9.~~

19 (B) If the school district is participating under 42 U.S.C.  
 20 § 1759a, then for purposes of funding under § 6-20-2305(b), such a school  
 21 district's annual percentage of national school lunch students shall be equal  
 22 to the percentage submitted in the base year, which means the last school  
 23 year for which eligibility determinations were made and ~~meal counts were~~  
 24 ~~taken by type;~~ in accordance with rules adopted by the state board.

25 (C) The state board may promulgate rules as necessary to  
 26 meet the federal requirements under 42 U.S.C. § 1759a in order to enable the  
 27 school districts and open-enrollment public charter schools to fully  
 28 participate in federal and state programs;

29  
 30 SECTION 26. Arkansas Code § 6-20-2303(17), concerning the definition  
 31 of "revenues", is amended to read as follows:

32 (17)~~(A)~~ "Revenues" means the proceeds generated from ad valorem taxes  
 33 and distributed to a school district by a county treasurer from January 1  
 34 through December 31 of the calendar year ~~immediately preceding the beginning~~  
 35 ~~of the current school year~~ in which the school fiscal year began, including:

36 ~~(i)~~(A) The amount of the final distribution of ad

1 valorem taxes to a school district as shown on the final tax settlement of  
 2 the county under § 26-39-402 for the calendar year ~~immediately preceding the~~  
 3 ~~beginning of the current school year~~ in which the school fiscal year began;

4 ~~(ii)(a)(B)(i)~~ Delinquent ad valorem taxes distributed  
 5 to a school district in the calendar year ~~immediately preceding the beginning~~  
 6 ~~of the current school year~~ in which the school fiscal year began.

7 ~~(b)(ii)~~ Delinquent ad valorem taxes include the  
 8 penalties and interest that are distributable to a school district under  
 9 existing law;

10 ~~(iii)(C)~~ The actual amount of homestead tax credit  
 11 distributed to a school district in the calendar year ~~immediately preceding~~  
 12 ~~the beginning of the current school year~~ in which the school fiscal year  
 13 began;

14 ~~(iv)(D)~~ Excess commissions distributed to a school  
 15 district in the calendar year ~~immediately preceding the beginning of the~~  
 16 ~~current school year~~ in which the school fiscal year began;

17 ~~(v)(E)~~ Interest earned on any tax funds held in trust  
 18 and distributed to a school district in the calendar year ~~immediately~~  
 19 ~~preceding the beginning of the current school year~~ in which the school fiscal  
 20 year began;

21 ~~(vi)(F)~~ Ad valorem tax proceeds from land redemptions  
 22 distributed to a school district in the calendar year ~~immediately preceding~~  
 23 ~~the beginning of the current school year~~ in which the school fiscal year  
 24 began; and

25 ~~(vii)(G)~~ A subtraction of all costs and commissions  
 26 authorized by law relating to the collection of ad valorem taxes that the  
 27 county deducted from distributions to a school district in the calendar year  
 28 ~~immediately preceding the beginning of the current school year~~ in which the  
 29 school fiscal year began;

30  
 31 SECTION 27. Arkansas Code § 6-20-2303, concerning definitions, is  
 32 amended to add an additional subdivision to read as follows:

33 (26) "Declining enrollment funding" means the amount of state  
 34 financial aid provided to an eligible school district from funds made  
 35 available for the decline in the average daily membership of the school  
 36 district in the preceding school year compared to the school year before the

1 preceding school year.

2  
 3 SECTION 28. Arkansas Code § 6-20-2305(a)(4)(C) and (D), concerning  
 4 state foundation funding aid, are amended to read as follows:

5 (C) The Department of Education shall not distribute to a  
 6 school district the funds under subdivision (a)(4)(A)(i) of this section if,  
 7 regardless of the school district's tax collection rate, the school  
 8 district's net revenues plus miscellaneous funds calculated under § 6-20-2308  
 9 meet or exceed the foundation funding amount set forth in § 6-20-2305(a).

10 (D)(i) A ~~school district~~ country treasurer shall submit  
 11 annually to the Department of Education ~~data~~ an annual summary report of all  
 12 proceeds generated from ad valorem taxes and distributed by the county to a  
 13 school district for the period beginning January 1 and ending on December 31  
 14 of the preceding calendar year to verify the ~~timely~~ receipt of revenues  
 15 ~~applicable to the required ninety-eight percent (98%) of the uniform rate of~~  
 16 ~~tax multiplied by the property assessment of the school district~~ under § 26-  
 17 80-101(b)(4)(A)(ii).

18 (ii)(a) The Department of Education may adjust data  
 19 appropriately if it determines that irregular distributions by a county  
 20 treasurer of excess commissions cause a school district's property tax  
 21 collection rate from the uniform rate of tax to exceed ninety-eight percent  
 22 (98%).

23 (b) The Department of Education may adjust the  
 24 uniform rate of tax from an irregular distribution to an amount not in excess  
 25 of ninety-eight percent (98%) and apply the excess distribution amount the  
 26 following school year.

27 (iii) Evidence of overlapping revenue reporting or  
 28 irregular distributions shall be provided in the form required by the  
 29 Department of Education.

30  
 31 SECTION 29. Arkansas Code § 6-23-203 is amended to read as follows:  
 32 6-23-203. Resubmission of applications.

33 (a) ~~The authorizer may allow applicants to resubmit applications for~~  
 34 ~~conversion public charter school status if the original application was, in~~  
 35 ~~the opinion of the authorizer, deficient in one (1) or more respects~~ If the  
 36 authorizer disapproves an application for a conversion public charter school,

1 the authorizer shall notify the applicant in writing of the reasons for the  
 2 disapproval.

3 (b) The Department of Education may provide technical assistance to the  
 4 conversion public charter school applicants in the ~~creation or modification:~~

5 (1) Creation of these applications its application; and

6 (2) Modification of its application as directed by the

7 authorizer.

8  
 9 SECTION 30. Arkansas Code § 6-23-305 is amended to read as follows:

10 6-23-305. Notice of disapproval – Assistance with resubmission of  
 11 application.

12 (a) If the authorizer disapproves an application for an open-enrollment  
 13 public charter school, the authorizer shall notify the applicant in writing  
 14 of the reasons for such disapproval.

15 ~~(b) The authorizer may allow the applicant for an open-enrollment~~  
 16 ~~public charter school to resubmit its application if the original application~~  
 17 ~~was found to be deficient by the authorizer.~~

18 ~~(c)~~ (e) The Department of Education may provide technical assistance to the  
 19 applicant for an open-enrollment public charter school in the ~~creation or~~  
 20 ~~modification:~~

21 (1) Creation of its application; and

22 (2) Modification of its application as directed by the

23 authorizer.

24  
 25 SECTION 31. Arkansas Code § 6-23-601 is repealed.

26 ~~6-23-601. Application for limited public charter school status—~~  
 27 ~~Approval—Teacher transfers—Annual evaluation.~~

28 ~~(a)(1) Any public school may apply to the Department of Education for~~  
 29 ~~limited public charter school status for alternative comprehensive staffing~~  
 30 ~~and compensation programs designed to enhance student and teacher performance~~  
 31 ~~and improve employee salaries, opportunities, and incentives, to be known as~~  
 32 ~~a limited public charter school.~~

33 ~~(2) A limited public charter shall be for the purpose of~~  
 34 ~~instituting alternative staffing practices in accordance with a schedule~~  
 35 ~~approved by the authorizer.~~

36 ~~(3) A limited public charter shall be initially established for a~~

1 ~~period of no more than five (5) years and may be renewed on a one-year or~~  
2 ~~multiyear basis, not to exceed five (5) years per charter renewal.~~

3 ~~(b) The application shall:~~

4 ~~(1)(A) Contain the provisions of this title and the specific~~  
5 ~~rules and regulations promulgated by the state board from which the limited~~  
6 ~~public charter school will be exempt.~~

7 ~~(B) The provisions from which the public school district~~  
8 ~~may be exempt for the limited public charter school only shall be limited to~~  
9 ~~the following:~~

10 ~~(i) The duty free lunch period requirements set forth~~  
11 ~~in § 6-17-111;~~

12 ~~(ii) The daily planning period requirements set forth~~  
13 ~~in § 6-17-114;~~

14 ~~(iii) The committee on personnel policies~~  
15 ~~requirements set forth in § 6-17-201 et seq.; and~~

16 ~~(iv) Standards for accreditation set forth in the~~  
17 ~~Arkansas Code, set forth by the Department of Education, or set forth by the~~  
18 ~~State Board of Education.~~

19 ~~(C) No limited public charter school may be allowed an~~  
20 ~~exemption that would allow a full-time licensed employee to be paid less than~~  
21 ~~the salary provided in the public school district's salary schedule for that~~  
22 ~~employee;~~

23 ~~(2) Describe a plan for school improvement that addresses how the~~  
24 ~~limited public charter school will improve student learning and meet the~~  
25 ~~state education goals;~~

26 ~~(3) Describe how the licensed employees at the limited public~~  
27 ~~charter school will be involved in developing and implementing the school~~  
28 ~~improvement plan set forth in subdivision (b)(2) of this section and in~~  
29 ~~identifying performance criteria;~~

30 ~~(4) Outline proposed performance criteria that will be used~~  
31 ~~during the initial five-year period of the charter to measure the progress of~~  
32 ~~the limited public charter school in improving student learning and meeting~~  
33 ~~or exceeding the state education goals; and~~

34 ~~(5) Be reviewed as a regular agenda item and approved after~~  
35 ~~sufficient public comment by the local school district board of directors and~~  
36 ~~the authorizer.~~

1           ~~(c)(1) Any application to obtain limited public charter school status~~  
2 ~~approved by a local school district board of directors shall be forwarded by~~  
3 ~~the local school district board of directors to the authorizer.~~

4           ~~(2) If a local school district board of directors does not~~  
5 ~~approve a public school's application, the local school district board of~~  
6 ~~directors shall inform the applicants and faculty of the public school of the~~  
7 ~~reasons of the local school district board of directors for not approving the~~  
8 ~~application.~~

9           ~~(d)(1) A licensed teacher employed by a public school in the school~~  
10 ~~year immediately preceding the effective date of a limited public charter for~~  
11 ~~a limited public charter school within that public school district may not be~~  
12 ~~transferred to or be employed by the limited public charter school over the~~  
13 ~~licensed teacher's objections, nor shall that objection be used as a basis to~~  
14 ~~deny continuing employment within the public school district in another~~  
15 ~~public school at a similar grade level.~~

16           ~~(2) If the transfer of a teacher within a public school district~~  
17 ~~is not possible because only one (1) public school exists for the teacher's~~  
18 ~~licensure level, then the local school district board of directors shall call~~  
19 ~~for a vote of the licensed teachers in the proposed limited public charter~~  
20 ~~school site and proceed, at the option of the local school district board of~~  
21 ~~directors, with the limited public charter school application if a majority~~  
22 ~~of the licensed teachers approve the proposal.~~

23           ~~(3)(A) A licensed teacher choosing to join the staff of a limited~~  
24 ~~public charter school shall be employed by the district by a written contract~~  
25 ~~as set forth in § 6-13-620(5), with the contract being subject to the~~  
26 ~~provisions of The Teacher Fair Dismissal Act of 1983, § 6-17-1501 et seq.~~

27           ~~(B)(i) The licensed teacher shall also enter into a~~  
28 ~~separate supplemental contract specifically for the teacher's employment in~~  
29 ~~the limited public charter school, with the supplemental contract being~~  
30 ~~exempt from The Teacher Fair Dismissal Act of 1983, § 6-17-1501 et seq., and~~  
31 ~~from § 6-17-807.~~

32           ~~(ii) Termination of the supplemental contract shall~~  
33 ~~not be used as a basis to deny continued employment of the teacher within the~~  
34 ~~public school district in another public school at a similar grade level.~~

35           ~~(e)(1) Limited public charter schools shall be evaluated annually by~~  
36 ~~the department based on criteria approved by the authorizer, including~~



1 ~~without limitation.~~

2 ~~(A) Student performance data in order to determine progress~~  
 3 ~~in student achievement that has been achieved by the limited public charter~~  
 4 ~~school; and~~

5 ~~(B) The limited public charter school's compliance with §~~  
 6 ~~6-23-107.~~

7 ~~(2) The department shall annually report its evaluation to the~~  
 8 ~~state board and the Commissioner of Education.~~

9 ~~(3) Based upon that evaluation, the authorizer may revoke a~~  
 10 ~~limited public charter.~~

11 ~~(f) The state board shall promulgate rules and regulations necessary~~  
 12 ~~for the implementation of this subchapter.~~

13  
 14 SECTION 32. Arkansas Code § 6-24-105(c)(2)(A)(i), concerning the  
 15 independent approval of the employment of family members of school district  
 16 boards of directors, is amended to read as follows:

17 (A)(i) If it appears the total transactions or contracts  
 18 with the board member or a family member for a fiscal year total, or will  
 19 total, ~~five thousand dollars (\$5,000)~~ ten thousand dollars (\$10,000) or more,  
 20 the superintendent or other chief administrator of the public educational  
 21 entity shall forward the written resolution along with all relevant data to  
 22 the commissioner for independent review and approval.

23  
 24 SECTION 33. Arkansas Code § 6-24-106(b)(2)(A), concerning the  
 25 employment of family members of school district administrators, is amended to  
 26 read as follows:

27 (2)(A) However, ~~beginning July 1, 2002,~~ a member of an  
 28 administrator's ~~immediate~~ family or former spouse may not be initially  
 29 employed as a disbursing officer of the public educational entity where the  
 30 administrator is employed unless the public educational entity receives  
 31 written approval from the Commissioner of Education.

32  
 33 SECTION 34. Arkansas Code § 6-24-107(b)(2)(A)(i), concerning  
 34 transactions with family members of school district employees, is amended to  
 35 read as follows:

36 (A)(i) If it appears that the total transactions with an employee

1 for a fiscal year total, or will total, ~~five thousand dollars (\$5,000)~~ ten  
 2 thousand dollars (\$10,000) or more, the superintendent or other chief  
 3 administrator of the public educational entity shall forward the written  
 4 resolution along with all relevant data to the Commissioner of Education for  
 5 independent review and approval.

6  
 7 SECTION 35. Arkansas Code § 6-48-101(1), concerning the definition of  
 8 "alternative learning environment", is amended to read as follows:

9 (1)(A)(i) "Alternative learning environment" means an alternate  
 10 class or ~~school~~ program within a public school or school district that  
 11 affords all students an environment that seeks to eliminate barriers to  
 12 learning for any student whose academic and social progress is negatively  
 13 affected by the student's personal characteristics or situation.

14 (ii) The Department of Education shall by rule more  
 15 fully define the student's personal characteristics and situations applicable  
 16 under this chapter.

17 (B) An alternative learning environment is not a punitive  
 18 environment but one that is conducive to learning; ~~and.~~

19 (C) An alternative learning environment is not a separate  
 20 school for the purposes of this title even if the Department of Education  
 21 assigns the alternative learning environment a separate local education  
 22 agency number; and

23  
 24 SECTION 36. Arkansas Code § 20-7-134(b)(2), concerning the definition  
 25 of competitive foods, is amended to read as follows:

26 (2) Competitive foods as defined by the United States Department  
 27 of Agriculture as the definition is in existence on January 1, ~~2003~~ 2015, and  
 28 offered at schools typically through vending machines, student stores, school  
 29 fundraisers, food carts, or food concessions;

30  
 31 SECTION 37. Arkansas Code § 21-2-702(10), concerning the definition of  
 32 "school district", is amended to read as follows:

33 (10) "School district" means the school districts and open-  
 34 enrollment public charter schools of the State of Arkansas;