

A.C.A. § 6-20-416

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Title 6 Education
Subtitle 2. Elementary And Secondary Education Generally
Chapter 20 Finances
Subchapter 4 -- District Finances

A.C.A. § 6-20-416 (2013)

6-20-416. Desegregation funding.

(a) The Department of Education and the Attorney General are authorized to seek proper federal court review and determination of the current unitary status of any school district in the case of Little Rock School District v. Pulaski County Special School District No. 1, et al, No. LR-C-82-866.

(b) (1) Upon July 31, 2007, the department and the Attorney General are authorized to seek modification of the current consent decree or enter into a new or an amended consent decree or settlement agreement under this section that allows the State of Arkansas to:

(A) Continue necessary and appropriate payments under a post-unitary agreement to the three (3) Pulaski County school districts for a limited and definite time period not to exceed seven (7) years and for a definite limited sum of payments;

(B) Ensure that the amount of funding provided under the post-unitary agreement is the total maximum obligation of the state and the school districts in the case;

(C) Ensure that the payments required pursuant to the post-unitary agreement are structured so that the total amount of the payments decrease so that no financial obligation remains due or owed by the state at the end of the time period specified in the post-unitary agreement; and

(D) Ensure that the total of any financial obligation created or established for the state in any one (1) year shall not exceed the state's desegregation obligation for the 2008-2009 school year.

(2) The agreement under this subsection may only be a post-unitary agreement, and the school districts shall receive the continued funding only if they are declared unitary. However, the agreement does not have to be post-unitary and may commence upon all school districts having been declared, previously or in the future, unitary in terms of student assignment and student racial balance so long as all other requirements in subdivision (b)(1) of this section are met.

(3) Before any agreement is entered into pursuant to this subsection, the proposed post-unitary agreement shall be submitted to the Legislative Council for review and approval.

(c) (1) The department in consultation with the Attorney General shall have the authority to enter into agreements with the three (3) Pulaski County school districts to reimburse the school districts for legal fees incurred for seeking unitary status or partial unitary status.

(2) To be eligible for possible reimbursement under this subsection for legal fees incurred, motions seeking unitary status or partial unitary status shall be filed no later than October 30, 2007, and the

school districts must be declared unitary or at least partially unitary by the federal district court no later than December 31, 2012.

(3) Under no circumstances shall any one (1) school district be entitled to reimbursement under this subsection in excess of two hundred fifty thousand dollars (\$250,000).

(4) Before a reimbursement agreement is entered into pursuant to this subsection, the proposed reimbursement agreement shall be submitted to the Legislative Council for review and approval.

(d) (1) By modifying the current consent decree or entering into a new or an amended consent decree or post-unitary agreement, the State Board of Education may create one (1) or more new school districts within Pulaski County if the creation of the new school district or districts does not eliminate the Pulaski County Special School District from existence.

(2) The state board shall seek the federal district court's approval prior to creating a new school district pursuant to this subsection, unless the federal district court's approval is not required because:

(A) The school district or districts involved have been released from the federal district court's supervision; or

(B) The new school district or districts is contemplated only as part of the post-unitary agreement.

(3) Any new school district created in Pulaski County shall receive a pro rata distribution based on its average daily membership of the funding provided under subsection (b) of this section for the school district or districts from which it was created.

(e) (1) A school district receiving state funds under a federal court order or a settlement agreement in desegregation litigation shall categorize and describe the state funds received and any expenditure of those funds according to the uniform chart of accounts and codes established by the department.

(2) The department shall modify, as necessary, the Arkansas Financial Accounting Handbook or the Arkansas Educational Financial Accounting and Reporting System, or both, to ensure that the uniform chart of accounts and codes is available to accurately monitor:

(A) State funding paid to a school district under the federal court order or settlement agreement; and

(B) All expenditures of that funding.

(3) An error related to the coding and reporting of the state funds that causes a material misstatement of financial information is cause for determining a deficiency under the Department of Education Rules Governing the Arkansas Financial Accounting and Reporting System and Annual Training Requirements.

(f) By September 1 of each year, a school district that receives state funding pursuant to a federal court order or settlement agreement in desegregation litigation shall report to the department, in the form and manner established by the department, the following:

(1) The total amount of state funding received under the federal court order or settlement agreement in the previous school year;

(2) A detailed statement outlining the school district's obligations under the federal court order, settlement agreement, or court-approved remedial plan, including without limitation:

(A) Programs that the school district is required to administer;

(B) Specific goals that the school district is required to reach;

(C) Actions that the school district is required to take or is prohibited from taking;

(D) Problems that the school district is required to remedy;

(E) Overall purposes of the federal court order, settlement agreement, or court-approved remedial plan; and

(F) Any other pertinent information as determined by the department;

(3) (A) An itemized accounting of expenditures of state funds identified under subdivision (f)(1) of this section that were used to comply with the school district's obligations identified under subdivision (f)(2) of this section.

(B) The accounting shall be specific and detailed and include an explanation of how each expenditure was necessary in order to comply with the school district's obligations under the federal court order, settlement agreement, or court-approved remedial plan.

(C) It is not sufficient to provide general statements, such as stating that the funds were used in magnet schools.

(D) The department may determine additional guidelines regarding the necessary level of specificity;

(4) The total amount of all state funds referenced in subdivision (f)(1) of this section that the school district retains; and

(5) A statement that the total amount of funds listed in subdivisions (f)(3) and (4) of this section is equal to the total amount of state funding received, as reported by the school district under subdivision (f)(1) of this section, or alternatively, an explanation of the discrepancy.

(g) (1) A school district not utilizing the Arkansas Public School Computer Network shall provide the department and the Attorney General, or their designees, full and complete, real-time access to the accounting and school district financial management software utilized by the school district.

(2) A school district may satisfy the obligation under subsection (g)(1) of this section by converting to the Arkansas Public School Computer Network, but the school district still shall provide the department and the Attorney General, or their designees, with full and complete access to the prior financial management system.

(h) This section shall not:

(1) Force entry of a consent decree or settlement agreement by the department or the Attorney General with the three (3) Pulaski County school districts; or

(2) Protect any school district from action or sanction by the department for fiscal, academic, or facilities distress.

HISTORY: Acts 2007, No. 395, § 2; 2008 (1st Ex. Sess.), No. 2, §§ 1, 2; 2009, No. 242, § 2; 2011, No. 624, § 1; 2011, No. 701, § 2.

