

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

As Engrossed: H3/15/17

A Bill

HOUSE BILL 1689

5 By: Representative Cozart
6

For An Act To Be Entitled

8 AN ACT TO AMEND PROVISIONS OF THE ARKANSAS CODE
9 CONCERNING PUBLIC SCHOOL FUNDING AND INDEBTEDNESS; TO
10 AMEND FUNDING PROVISIONS AND DEFINITIONS FOR PUBLIC
11 EMPLOYEE HEALTH INSURANCE; TO AMEND PROVISIONS
12 CONCERNING EDUCATION SERVICE COOPERATIVE FINANCING;
13 AND FOR OTHER PURPOSES.
14
15

Subtitle

16 TO AMEND PROVISIONS CONCERNING PUBLIC
17 SCHOOL FUNDING AND INDEBTEDNESS; TO AMEND
18 FUNDING PROVISIONS CONCERNING PUBLIC
19 EMPLOYEE HEALTH INSURANCE; AND TO AMEND
20 PROVISIONS CONCERNING EDUCATION SERVICE
21 COOPERATIVE FINANCING.
22
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24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

27 SECTION 1. Arkansas Code § 6-13-1006(d)(9), concerning the authority
28 of a board of directors of education services cooperatives, is amended to
29 read as follows:

30 ~~(9) Renting, leasing, purchasing, constructing, or receiving by~~
31 ~~gift such~~ For facilities and buildings as may be required to provide
32 authorized programs and services:

33 (A) Renting, leasing, purchasing, constructing, or
34 receiving by gift;

35 (B) Borrowing from the revolving loan fund under § 6-20-
36 818; or



1 (C) Borrowing from other sources for limited or unusual
 2 circumstances upon approval of the Commissioner of Education and Director of
 3 the Department of Finance and Administration; and
 4

5 SECTION 2. Arkansas Code § 6-17-1117(a)(3)(B), concerning public
 6 school employees' health insurance programs, is amended to read as follows:

7 (B) As used in this section, "local contribution rate"
 8 means the minimum contribution amount a school district provides for health
 9 insurance above the minimum contribution rate required under subdivision
 10 (a)(1) of this section in addition to the contribution amount a school
 11 district provides for health insurance above that minimum contribution rate.
 12

13 SECTION 3. The introductory language of Arkansas Code § 6-17-
 14 1117(a)(5), concerning public school employees' health insurance programs, is
 15 amended to read as follows:

16 (5) A school district is not required to increase the local
 17 contribution rate as directed under subdivision (a)(3) of this section if the
 18 school district:
 19

20 SECTION 4. Arkansas Code § 6-20-402(d), concerning limitations on
 21 school district indebtedness, is amended to add an additional subdivision to
 22 read as follows:

23 (6) Upon incurring current indebtedness, the school district
 24 shall notify the department of the indebtedness, on forms provided by the
 25 department, showing the:

26 (A) Payee and any assignee;
 27 (B) School district;
 28 (C) Purpose of the indebtedness;
 29 (D) Maturity date of the indebtedness;
 30 (E) Amount borrowed and interest rate of indebtedness; and
 31 (F) Amortization schedule showing installments, if
 32 applicable.
 33

34 SECTION 5. Arkansas Code § 6-20-2202(d)(1)(B)(ii), concerning budget
 35 and expenditure reports, is amended to read as follows:

36 (ii) A final close must be performed in each school

1 district's or open-enrollment public charter school's or education service
2 cooperative's applicable general ledger database no later than ~~September 30,~~
3 ~~2007, for the 2006-2007 school year and September 15 for each school year~~
4 ~~thereafter~~ September 10 of each year.

5
6 SECTION 6. Arkansas Code § 6-20-2305(a)(1)(B), concerning school
7 district foundation funding, is amended to read as follows:

8 (B) The Department of Education shall distribute state
9 foundation funding aid to each school district in ~~eleven (11)~~ twelve (12)
10 ~~equal~~ monthly payments.

11
12 SECTION 7. Arkansas Code § 6-20-2305(c)(2), concerning student growth
13 funding, is amended to read as follows:

14 (2)~~(A)~~ Student growth funding is calculated as the sum of the
15 following amounts:

16 ~~(i)(A)~~ One quarter ($\frac{1}{4}$) of the per student foundation
17 funding for the school district under subdivision (a)(2) of this section
18 multiplied by the increase, if any, of each of the following:

19 ~~(a)(i)~~ The school district's quarterly average daily
20 membership for the fourth quarter of the previous school year over the
21 average daily membership of the previous school year;

22 (ii) The school district's quarterly average daily
23 membership for the first quarter of the current school year over average
24 daily membership of the previous school year;

25 ~~(b)(iii)~~ The school district's quarterly average
26 daily membership for the second quarter of the current year over the average
27 daily membership of the previous school year; and

28 ~~(e)(iv)~~ The school district's quarterly average
29 daily membership for the third quarter of the current school year over the
30 average daily membership of the previous school year; ~~and~~

31 ~~(d)~~ ~~The school district's quarterly average~~
32 ~~daily membership for the fourth quarter of the current school year over the~~
33 ~~average daily membership of the previous school year; and~~

34 ~~(ii)(B)~~ Excluding any increase resulting solely from
35 consolidation or annexation with another school district; and

36 (C) If net revenues minus any recoupment under subdivision

1 (a)(4)(B) of this section plus miscellaneous funds calculated under § 6-20-
2 2308(b)(1)(A) exceed the foundation funding amount, a school district shall
3 be eligible to receive the amount of calculated student growth funding that
4 exceeds net revenues minus any recoupment under subdivision (a)(4)(B) of this
5 section plus miscellaneous funds calculated under § 6-20-2308(b)(1)(A).

6 ~~(B) The Department of Education shall:~~

7 ~~(i) By January 31 of each year:~~

8 ~~(a) Calculate an amount of student growth~~
9 ~~funding under subdivision (c)(2)(A) of this section using the quarterly~~
10 ~~average daily membership for the first quarter and an estimation of the~~
11 ~~average daily membership for the second, third, and fourth quarters; and~~

12 ~~(b) Distribute to the school district not less~~
13 ~~than sixty percent (60%) of the amount calculated under subdivision~~
14 ~~(c)(2)(B)(i)(a) of this section;~~

15 ~~(ii) By April 30 of each year, distribute to the~~
16 ~~school district forty percent (40%) of the amount calculated under~~
17 ~~subdivision (c)(2)(B)(i)(a) of this section; and~~

18 ~~(iii)(a) By July 31 of each year, calculate the~~
19 ~~amount of student growth funding under subdivision (c)(2)(A) of this section~~
20 ~~using the actual quarterly average daily membership for all four (4) quarters~~
21 ~~of the applicable school year.~~

22 ~~(C) By August 31 of the fiscal year in which the student~~
23 ~~growth funding is received, if the amount under subdivision (c)(2)(B)(iii)(a)~~
24 ~~of this section is:~~

25 ~~(1) More than the amount under subdivision~~
26 ~~(c)(2)(B)(i)(a) of this section, the Department of Education shall~~
27 ~~distribute the difference to the school district; or~~

28 ~~(2) Less than the amount under subdivision~~
29 ~~(c)(2)(B)(i)(a), the school district shall refund the difference to the~~
30 ~~Department of Education.~~

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32 /s/Cozart

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35 APPROVED: 03/29/2017