

**Hall of the House of Representatives**  
86th General Assembly - Regular Session, 2007  
**Amendment Form**

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**Subtitle of Senate Bill No. 231**

"AN ACT TO AMEND THE PUBLIC SCHOOL FUNDING ACT OF 2003 TO EQUALIZE  
THE FUNDING PROVIDED FOR A DISTRICT WITH A GROWING OR DECLINING  
ENROLLMENT."

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**Amendment No. 2 to Senate Bill No. 231.**

Amend Senate Bill No. 231 as engrossed, H3/5/07 (version: 03-05-2007 13:52):

Delete everything after the enacting clause and substitute the following:

"SECTION 1. Arkansas Code § 6-20-2303(19), concerning school district growth funding, is amended to read as follows:

(19)(A) "Student growth funding" means the amount of state financial aid provided to each school district from funds made available for ~~that purpose~~ the growth in the average daily membership for the school district.

~~(B) For school years 2005-2006 and 2006-2007, student growth funding is calculated as five thousand four hundred dollars (\$5,400) multiplied by the increase, if any, in the school district's two quarter average of the average daily membership of the current school year over the local school district's two quarter average of the average daily membership for the previous school year, excluding any increase resulting solely from consolidation or annexation with another school district;~~

SECTION 2. Arkansas Code § 6-20-2305(a)(3), concerning funding for districts with declining enrollment, is amended to read as follows:

(3)(A) ~~During the 2006-2007, school year, a A school district with an~~ that has experienced a decline in average daily membership over the two (2) immediately preceding school years that is less than the school district's previous year's average daily membership shall receive:

(i) Declining enrollment funding equal to the difference between the average of the two (2) immediately preceding years' average daily memberships and the average daily membership for the previous school year multiplied by ~~five thousand six hundred twenty dollars (\$5,620)~~ the amount of foundation funding set forth in subdivision (a)(2) of this section; or

(ii) Special needs isolated funding under § 6-20-604.

(B) Any funding appropriated and available for declining



enrollment funding under subdivision (a)(3)(A)(i) of this section or special needs isolated funding under § 6-20-604 that is not distributed under subdivision (a)(3)(A) of this section shall be prorated and distributed equally per average lost student to school districts that meet the qualifications for both declining enrollment funding under subsection (a)(3)(A)(i) of this section and special needs isolated funding under § 6-20-604.

(C) No school district shall receive both declining enrollment funding under subdivision (a)(3)(A)(i) of this section and student growth funding under § 6-20-2305(c).

SECTION 3. Arkansas Code § 6-20-2305(c), concerning isolated funding, student growth funding, and special education-catastrophic occurrences funding, is amended to read as follows:

(c) Isolated funding under § 6-20-601, student growth funding, and special education-catastrophic occurrences funding shall be funded as follows:

(1) Isolated funding and special education-catastrophic occurrences funding shall be allocated and funded to school districts in a line item appropriation within the Public School Fund pursuant to law or rules promulgated by the State Board of Education; and

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

(i) One quarter (1/4) of the per student foundation funding for the school district under § 6-20-2305(a)(2) multiplied by the increase, if any, of each of the following:

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

(b) The school district's quarterly average daily membership for the second quarter of the current year over the average daily membership of the previous school year;

(c) The school district's quarterly average daily membership for the third quarter of the current school year over the average daily membership of the previous school year; and

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

(ii) ~~excluding~~ Excluding any increase resulting solely from consolidation or annexation with another school district.

(B)(i) The State Board of Education shall establish by rule the timing of distributions of student growth funding and the mechanism for determining the quarterly average daily membership to be used in calculating student growth funding under this subsection (c).

(ii)(a) As the fourth quarter average daily membership count will not be available until the following school fiscal year, the final distribution for each school year shall include one half (1/2) of the per student foundation funding for the school district under § 6-20-2305(a)(2) multiplied by the increase, if any, of the school district's quarterly average daily membership for the third quarter of the current school year over the average daily membership of the previous school year.

(b) As a result of calculating the

distribution in subdivision (c)(2)(B)(ii)(a) of this section, either an adjustment shall be made in the initial distribution of growth funding for the district in the following school year to be based on the actual fourth quarter growth determined in subdivision (c)(2)(A)(i)(d) or the school district shall refund the overpayment in growth funding."

The Amendment was read \_\_\_\_\_  
By: Representative Davenport  
CLR/CLR - 03-08-2007 08:46  
CLR295

\_\_\_\_\_  
Chief Clerk