

1 INTERIM STUDY PROPOSAL 2011-147

2 State of Arkansas

As Engrossed: H3/16/11 H3/21/11

3 88th General Assembly

A Bill

4 Regular Session, 2011

HOUSE BILL 1877

5
6 By: Representative Pierce

7 Filed with: Interim House Committee on Education
8 pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

9
10 AN ACT TO ENSURE THAT SCHOOL DISTRICTS BELOW A
11 SPECIFIC STUDENT ACHIEVEMENT LEVEL USE PUBLIC SCHOOL
12 *FUNDING TO IMPROVE STUDENT ACADEMIC ACHIEVEMENT; AND*
13 *FOR OTHER PURPOSES.*

Subtitle

14
15
16
17 TO ENSURE THAT SCHOOL DISTRICTS BELOW A
18 SPECIFIC STUDENT ACHIEVEMENT LEVEL USE
19 PUBLIC SCHOOL FUNDING TO IMPROVE STUDENT
20 ACADEMIC ACHIEVEMENT.

21
22
23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

24
25 *SECTION 1. Arkansas Code § 6-20-2202(d)(1)(A)(ii), concerning the*
26 *budget and expenditure report, is amended to read as follows:*

27 *(ii)(a) Information on fund balances maintained by*
28 *the school district, open-enrollment public charter school, or education*
29 *service cooperative, ~~including, but not limited to,~~ including without*
30 *limitation the:*

31 *(1) Sources of the funds maintained as*
32 *fund balances, ~~to the extent practicable~~ including without limitation*
33 *foundation funding as defined under § 6-20-2308;*

34 *(2) Reasons for maintaining, instead of*
35 *spending, the fund balances;*

1 (3)(A) Amount of funds transferred
2 between various funds during the past year.

3 (B) The school district, open-
4 enrollment public charter school, and education service cooperative shall
5 identify the funds transferred between various funds and the amount of funds
6 transferred; ~~and~~

7 (4) Amount of fund balances dedicated
8 for the construction, maintenance, or repair of academic or athletic
9 facilities.

10 (b) The Department of Education shall
11 promulgate rules that require reporting of fund balances sufficient for an
12 auditor to verify whether funds allocated for educational purposes,
13 ~~including, but not limited to,~~ including without limitation student academic
14 needs and the maintenance and operation of public school district facilities,
15 are used for their intended purposes or retained by the school district in
16 its fund balances.

17
18 SECTION 2. Arkansas Code Title 6, Chapter 20, Subchapter 23 is amended
19 to add an additional section to read as follows:

20 6-20-2308. School district use of foundation funding.

21 (a) As used in this section:

22 (1) "Foundation funding" means the amount of funding a school
23 district is required to spend to provide an adequate education for its
24 students in a school year calculated as the per-student foundation funding
25 amount under § 6-20-2305(a)(2) multiplied by the three quarter average daily
26 membership of a school district for the previous year;

27 (2) "Foundation funding carry-forward" means the amount of
28 foundation funding carried forward from the immediately preceding school
29 year; and

30 (3) "Student achievement criteria" means the criteria
31 established by the State Board of Education consisting of one (1) or more
32 indicators of student growth and achievement to determine the level at which
33 a school district or public charter school is subject to a restriction on
34 spending foundation funding and foundation funding carry-forward.

35 (b)(1) A school district or public charter school shall maintain
36 foundation funding and foundation funding carry-forward in a designated fund

1 that does not include funding from any other source of revenue, as
 2 established by state board rules.

3 (2) The amount of a school district's foundation funding carry-
 4 forward existing on June 30, 2011, shall be placed in the designated fund for
 5 foundation funding and foundation funding carry-forward.

6 (c) By September 1, 2011, the State Board of Education shall establish
 7 by rule the student achievement criteria.

8 (d)(1) Beginning with the 2012-2013 school year, the Department of
 9 Education shall annually identify at which of the following levels a school
 10 district or public charter school meets the student achievement criteria:

11 (A) Eighty percent (80%) or more of the school district's
 12 or public charter school's students meet the student achievement criteria;

13 (B) Sixty-five percent (65%) or more but less than eighty
 14 percent (80%) of the school district's or public charter school's students
 15 meet the student achievement criteria;

16 (C) More than fifty percent (50%) but less than sixty-five
 17 percent (65%) of the school district's or public charter school's students
 18 meet the student achievement criteria; or

19 (D) Fifty percent (50%) or less of the school district's
 20 or public charter school's students meet the student achievement criteria.

21 (2) A school district at the level under:

22 (A) Subdivision (d)1)(A) of this section is not restricted
 23 on spending foundation funding and foundation funding carry-forward.

24 (B) Subdivision (d)1)(B) of this section shall spend
 25 during the school year all foundation funding and foundation funding carry-
 26 forward to provide an adequate education to its students;

27 (C)(1) Subdivision (d)(1)(C) of this section shall spend
 28 all foundation funding and foundation funding carry-forward under the
 29 guidance of the department.

30 (2) All spending under this subdivision (d)(2)(C)
 31 shall be directed to implement evidence-based programs designed to improve
 32 student achievement that may include without limitation after-school programs
 33 and tutoring; and

34 (D)(i) Subdivision (d)(1)(D) of this section shall be
 35 identified as being in academic distress, fiscal distress, or both by the
 36 department; and

1 (ii) Spend all foundation funding and foundation
2 funding carry-forward as directed by the department.

3 (e) A school district or public charter school shall be identified by
4 the department as being in academic distress under § 6-15-428 or fiscal
5 distress under § 6-13-1027, or both, if the school district or public charter
6 school does not comply with the requirements of this section for the level at
7 which the school district is identified under subsection (d) of this section.

8
9 /s/Pierce

10
11 Referred by the Arkansas House of Representatives

12 Prepared by: CLR/VJF

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36