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Promulgated by:
Department of Education
Division of Elementary and Secondary Education

Title 6. Education

Chapter I. Division of Elementary and Secondary Education

Subchapter H. School Districts

Part 231. Rules Governing Consolidation and Annexation of School Districts

Subpart 1. Purpose and Definitions

6 CAR § 231-101. Purpose.

The purpose of this part is to establish the:

(1) Requirements and procedures concerning the consolidation and annexation of school districts;

(2) Administrative consolidation and annexation of school districts;

(3) Distribution of consolidation/annexation incentive funding; and

(4) Petitions to the State Board of Education for a change in a district boundary.

6 CAR § 231-102. Definitions.

As used in this part:

(1) "Administrative annexation" means the joining of an affected school district or a part of the school district in which the affected district as a whole has fewer than three hundred fifty (350) students with one (1) or more receiving school districts through a voluntary process set out in Arkansas Code § 6-13-1601 et seq.;

(2) "Administrative consolidation" means the joining of two (2) or more school districts, one (1) of which has fewer than three hundred fifty (350) students, to create a new single school district with one (1) administrative unit and one (1) board of directors that is not required to close school facilities through a voluntary process set out in Arkansas Code § 6-13-1601 et seq.;

(3) "Affected district" means a school district that:

(A) Loses territory or students as a result of annexation or administrative annexation; or

(B) Is involved in a consolidation or administrative consolidation;

(4) "Aggrieved district" means the lawfully constituted and existing board of directors of a school district that gains or loses territory or students as a result of an:

(A) Annexation;

(B) Administrative annexation;

(C) Consolidation; or

(D) Administrative consolidation;

(5) "Annexation" means the joining of an affected school district or part thereof with a receiving district;

(6) "Average daily membership (ADM)" has the same meaning as defined by the General Assembly in Arkansas Code § 6-20-2303;

(7) "Boundary change" means the process by which the territory of two (2) or more adjoining school districts is modified based on the petition of a single school district to the State Board of Education seeking modification to its geographic territory under Arkansas Code § 6-13-1414;

(8) "Consolidation" means the joining of two (2) or more affected school districts or parts thereof to create a new single school district;

(9) "Debt" means a legal liability, encumbrance, or contract, including employment contracts, to be paid out of future revenues or current reserves of the school district;

(10) "Receiving district" means a school district or districts that receive territory or students, or both, from an affected district as a result of:

(A) Annexation; or

(B) Administrative annexation;

(11) "Resulting district" means the new school district created from affected districts as a result of:

(A) Consolidation; or

(B) Administrative consolidation.

(12) "School district with fewer than three hundred fifty (350) students" means a school district with an average daily membership of fewer than three hundred fifty (350) students in the school year immediately preceding the current school year; and

(13) "Voluntary transfer" means a student has transferred to a district other than the student's resident district through a school choice transfer under Arkansas Code § 6-18-1901 et seq., or Arkansas Code § 6-18-227, or a student transfer under Arkansas Code § 6-18-316.

6 CAR § 231-103. Consolidation and annexation authority of the State Board of Education.

There shall not be any consolidation or annexation of any public school district with any other school district in the state without the prior consent and approval of the State Board of Education.

Subpart 2. Consolidation and Annexation of School Districts

6 CAR § 231-201. Conditions under which the State Board of Education may annex school districts.

(a) The State Board of Education shall consider the annexation of an affected school district or districts to a receiving district or districts under any of the following conditions:

(1) The state board, after providing thirty (30) days' written notice to the affected school districts, determines that annexation is in the best interest of the affected district or districts and the receiving district based upon failure to meet

standards for accreditation, failure to meet fiscal distress requirements, or failure to meet the requirements to exit Level 5 – Intensive support pursuant to:

(A) The Quality Education Act of 2003, Arkansas Code § 6-15-201 et seq.;

(B) The Arkansas Educational Support and Accountability Act, Arkansas Code § 6-15-2901 et seq.;

(C) The Arkansas Fiscal Assessment and Accountability Program, Arkansas Code § 6-20-1901 et seq.; and

(D) The Arkansas Public School Academic Facilities Program Act, Arkansas Code § 6-21-801 et seq.;

(2) When:

(A) The affected district or districts file a petition with the state board requesting annexation to a particular receiving district or districts, and a copy of the petition is filed with the county clerk's office of each county where the affected district or districts are located;

(B) The county clerk's office of each county where the affected district or districts are located certifies in writing that the petition has been signed by a majority of the qualified electors of the affected district or districts; and

(C) The receiving district or districts provide to the state board written proof of consent to receive the affected district or districts by annexation, as evidenced by either a vote to approve annexation by resolution by a majority of the members of the local receiving board of education or by a vote to approve annexation by a majority of the qualified electors of the receiving district as provided for in Arkansas Code § 6-14-122;

(3) When:

(A) A majority of the qualified electors in the affected district or districts vote to approve the annexation of an affected school district or districts to a receiving district or districts as provided for in Arkansas Code § 6-14-122; and

(B) The receiving district or districts provide to the state board written proof of consent to receive the affected district or districts by annexation, as evidenced by either a vote to approve annexation by resolution by a majority of the members of

the local receiving board of education or by a vote to approve annexation by a majority of the qualified electors of the receiving district as provided in Arkansas Code § 6-14-122; or

(4) When:

(A) The local board of education of the affected district or districts votes to approve by resolution the annexation of the affected district or districts to a receiving district or districts by a majority of the members of the local board of education of the affected district or districts; and

(B) The receiving district or districts provide to the state board written proof of consent to receive the affected district or districts by annexation, as evidenced by either a vote to approve annexation by resolution by a majority of the members of the local receiving board of education or by a vote to approve annexation by a majority of the qualified electors of the receiving districts as provided for in Arkansas Code § 6-14-122.

(b) The state board may vote to approve, by a majority of a quorum present of the members of the state board, the annexation of the affected districts into a receiving district:

(1) The state board, after providing thirty (30) days' written notice to the affected districts, may on its own motion based on a school district's failure to meet standards for accreditation, failure to meet fiscal distress requirements, or failure to meet the requirements to exit Level 5 – Intensive support pursuant to:

(A) The Quality Education Act of 2003;

(B) The Arkansas Educational Support and Accountability Act;

(C) The Arkansas Fiscal Assessment and Accountability Program; and

(D) The Arkansas Public School Academic Facilities Program Act; or

(2) Upon receipt of:

(A) A valid petition for annexation and after receiving proof from the petitioning party of at least one (1) of the required conditions set forth in:

(i) Arkansas Code § 6-13-1403(a); and

(ii) Subsection (a) of this section; and

(B) Proof of the issuance of public notice of the intent to annex affected districts into a receiving district or districts in the local newspapers of general circulation in the affected districts for a time period of no less than one (1) time a week for two (2) consecutive weeks immediately prior to the time the petition is filed with the state board.

(c)(1) In order for the petition for annexation to be valid, it shall be filed with the state board at least thirty (30) days prior to the next regularly scheduled state board meeting, at which time the petition will be presented for hearing before the state board.

(2) However, no petition is required for the state board to annex a school district or districts upon a motion of the state board as allowed in:

(A) Arkansas Code § 6-13-1403(b); and

(B) Subsection (b) of this section.

(d)(1) Upon determination by the state board to annex a school district or approval of a petition requesting annexation, the state board shall issue an order:

(A) Dissolving the affected district or districts; and

(B) Establishing the receiving district or districts.

(2) The state board shall issue an order establishing the boundary lines of the receiving district or districts.

(3) It is the duty of the Arkansas Geographic Information Systems Office to make changes in the maps of the school districts to properly show the boundary lines of the receiving district or districts.

(e)(1) The state board shall:

(A) Issue an order establishing the changed boundaries; and

(B) File the order with the:

(i) County clerk of each county that contains school district territory of each:

(a) Affected district; or

(b) Receiving district;

(ii) Assessor of each county that contains school district territory of each:

(a) Affected district; or

(b) Receiving district;

(iii) Secretary of State; and

(iv) Arkansas Geographic Information Systems Office.

(2) The county clerk shall make a permanent record of the order.

(3) A consolidation or annexation order filed with the Secretary of State and the Arkansas Geographic Information Systems Office shall include a digital map showing the boundaries of the resulting district or receiving district in a format prescribed by the Arkansas Geographic Information Systems Office.

(4) The boundaries established by the state board pursuant to Arkansas Code § 6-13-1403(e) and this subsection shall be the boundaries of the receiving district or districts until changes are made according to the provisions of law.

(f) The state board shall not annex affected districts into a receiving district or districts that are not geographically contiguous unless the following limited conditions are determined to be valid reasons for annexation:

(1) The annexation will result in overall improvement in the educational benefit to students in all the school districts involved; or

(2) The annexation will provide a significant advantage in transportation costs or service to all the school districts involved.

6 CAR § 231-202. Conditions under which the State Board of Education may consolidate school districts.

(a) The State Board of Education shall consider the consolidation of affected districts into a new resulting district or districts under the following conditions:

(1) The state board, after providing thirty (30) days' written notice to the affected school districts, determines consolidation is in the best interest of the affected districts based upon failure to meet standards for accreditation, failure to meet fiscal distress requirements, or failure to meet the requirements to exit Level 5 – Intensive support pursuant to:

(A) The Quality Education Act of 2003, Arkansas Code § 6-15-201 et seq.;

(B) The Arkansas Educational Support and Accountability Act, Arkansas Code § 6-15-2901 et seq.;

(C) The Arkansas Fiscal Assessment and Accountability Program, Arkansas Code § 6-20-1901 et seq.; and

(D) The Arkansas Public School Academic Facilities Program Act, Arkansas Code § 6-21-801 et seq.; or

(2) When:

(A) The affected districts file a petition with the state board requesting that the affected districts be consolidated into a resulting district or districts;

(B) A copy of the petition has been filed with the county clerk's office of each county where the affected districts are located;

(C) The county clerk's office certifies in writing to the state board that the petition has been signed by a majority of the qualified electors of the affected districts;

(D) A majority of the qualified electors in the affected districts vote to approve consolidation of the affected districts into a resulting district or districts pursuant to a valid election as provided in Arkansas Code § 6-14-122; and

(E) The local board of directors votes to approve by resolution of a majority of the members of each local board of education the consolidation of the affected districts into a resulting district or districts.

(b) The state board:

(1) After providing thirty (30) days' written notice to the affected districts, may consolidate school districts upon its own motion based upon a school district's failure to meet standards for accreditation, failure to meet fiscal distress requirements, or failure to meet the requirements to exit Level 5 – Intensive support pursuant to:

(A) The Quality Education Act of 2003;

(B) The Arkansas Educational Support and Accountability Act;

(C) The Arkansas Fiscal Assessment and Accountability Program; and

(D) The Arkansas Public School Academic Facilities Program Act; or

(2) May vote to approve by a majority of a quorum present of the members of the state board the consolidation of the affected districts into a resulting district or districts upon receipt of:

(A) A valid petition for consolidation after receiving proof from the petitioning party of at least one (1) of the required conditions set forth in:

(i) Arkansas Code § 6-13-1404(a); and

(ii) Subsection (a) of this section; and

(B) Proof of the issuance of public notice of the intent to consolidate affected districts into a resulting district or districts in the local newspapers of general circulation in the affected districts for a time period of no less than one (1) time a week for two (2) consecutive weeks immediately prior to the time the petition is filed with the state board.

(c)(1) In order for the petition for consolidation to be valid, it shall be filed with the state board at least thirty (30) days prior to the next regularly scheduled state board meeting, at which time the petition will be presented for hearing before the state board.

(2) However, no petition is required for the state board to consolidate a school district or districts on a motion of the state board as allowed under:

(A) Arkansas Code § 6-13-1404(b); and

(B) Subsection (b) of this section.

(d)(1) Upon consolidation of a school district by the state board or approval of a petition requesting consolidation, the state board shall issue an order:

(A) Dissolving the affected districts; and

(B) Establishing the resulting district or districts.

(2) The state board shall issue an order establishing the boundary lines of the resulting district or districts.

(3) It is the duty of the Arkansas Geographic Information Systems Office to make changes in the maps of the school districts to properly show the boundary lines of the resulting district or districts.

(e)(1) The state board shall:

(A) Issue an order establishing the changed boundaries; and

(B) File the order with the:

(i) County clerk of each county that contains school district territory of each:

(a) Affected district; or

(b) Resulting district;

(ii) Assessor of each county that contains school district territory of each:

(a) Affected district; or

(b) Resulting district;

(iii) Secretary of State; and

(iv) Arkansas Geographic Information Systems Office.

(2) The county clerk shall make a permanent record of the order.

(3) A consolidation or annexation order filed with the Secretary of State and the Arkansas Geographic Information Systems Office shall include a digital map showing the boundaries of the resulting district or receiving district in a format prescribed by the Arkansas Geographic Information Systems Office.

(4) The boundaries established under this subsection shall be the boundaries of the resulting district or districts until changes are made according to the provisions of law.

(f) The state board shall not consolidate affected districts that are not geographically contiguous unless the following limited conditions are determined to be valid reasons for consolidation:

(1) The consolidation will result in overall improvement in the educational benefit to students in all the school districts involved; or

(2) The consolidation will provide a significant advantage in transportation costs or service to all the school districts involved.

6 CAR § 231-203. Resulting district successor in interest — When part of district taken.

(a) Any receiving or resulting district created under Arkansas Code § 6-13-1407 and this section:

(1) Shall become the successor in interest to the property of the school district dissolved;

(2) Shall become liable for the contracts and debts of such a school district; and

(3) May sue and be sued therefor.

(b) When territory less than the entire school district is annexed or consolidated to a school district, the receiving or resulting district shall take the property of the school district from which the territory was taken, as the State Board of Education shall deem proper, and shall be liable for that part of all indebtedness of the school district from which the territory was taken as shall be assigned to it by the state board unless otherwise approved by a majority vote of the affected school district's or districts' board or boards of directors.

6 CAR § 231-204. Annexation or consolidation not to negatively impact state-assisted desegregation.

(a) The State Board of Education shall not order any annexation, consolidation, or boundary change pursuant to Arkansas Code § 6-13-1401 et seq., or any other act or any combination of acts that hampers, delays, or in any manner negatively affects the desegregation efforts of a school district or districts in this state.

(b) Prior to the entry of any order under Arkansas Code § 6-13-1401 et seq., the state board shall seek an advisory opinion from the Attorney General concerning the impact of the proposed annexation, consolidation, or boundary change on the effort of the state to assist a school district or districts in desegregation of the public schools of this state.

(c) Any order of annexation, consolidation, boundary change, or combination thereof that violates the provisions of Arkansas Code § 6-13-1408 and this section shall be null and void.

6 CAR § 231-205. Other State Board of Education duties.

(a) The State Board of Education shall have the following duties regarding consolidations and annexations:

(1) To form local school districts, change boundary lines of school districts, dissolve school districts and annex the territory of those school districts to another school district, create new school districts, and perform all other functions regarding changes in school districts in accordance with the law;

(2) To transfer funds and attach territory that is in no school district to other school districts as may seem best for the educational welfare of the children; and

(3) To enact rules regarding the consolidation and annexation of school districts pursuant to Title 6 of the Arkansas Code.

(b) The millage rate of the electors of an affected district shall remain the same until an election may be held to change the rate of taxation for the resulting or receiving district or districts.

6 CAR § 231-206. Appeal and election.

Notwithstanding any other provision of law or rule of the State Board of Education, the decision of the state board regarding an administrative consolidation, consolidation, administrative annexation, or annexation shall be final with no further right of appeal except that only an aggrieved district may appeal to Pulaski County Circuit Court pursuant to the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq.

6 CAR § 231-207. Use of fund balances.

(a) Unless otherwise approved by a unanimous vote of the board of directors of the resulting district, the fund balances of any school district that is consolidated, annexed, or otherwise reorganized shall be used by the resulting district solely for the construction of facilities or the operation, maintenance, or support of the schools that were located in the affected school district from which the fund balance was derived, if

any of the facilities of the affected district from which the fund balance was derived remain open.

(b) The provisions of Arkansas Code § 6-13-1411 and this section shall not apply if the consolidation or annexation is because of the school district's failure to meet standards for accreditation, failure to meet fiscal distress requirements, or failure to meet the requirements to exit Level 5 – Intensive support pursuant to:

(1) The Quality Education Act of 2003, Arkansas Code § 6-15-201 et seq.;

(2) The Arkansas Educational Support and Accountability Act, Arkansas Code § 6-15-2901 et seq.;

(3) The Arkansas Fiscal Assessment and Accountability Program, Arkansas Code § 6-20-1901 et seq.; or

(4) The Arkansas Public School Academic Facilities Program Act, Arkansas Code § 6-21-801 et seq.

6 CAR § 231-208. Involuntary annexation or consolidation — Effective date — Interim board of directors.

(a) Arkansas Code § 6-13-1415 and this section apply to the involuntary consolidation or involuntary annexation of a school district made by a motion of the State Board of Education.

(b) The effective date of an involuntary consolidation or involuntary annexation of a school district shall be the July 1 after the state board action unless determined otherwise by the state board.

(c) The state board shall establish the terms and conditions of the involuntary consolidation or involuntary annexation that shall govern the affected districts, resulting districts, and receiving districts.

(d) If the state board determines that a new permanent board of directors is necessary, the state board shall prescribe:

(1) The number of members for the new permanent board of directors of the resulting district or receiving district;

(2) The manner of formation of the new permanent board of directors of the resulting district or receiving district under:

(A) Arkansas Code § 6-13-1417; and

(B) 6 CAR § 231-210; and

(3)(A) Whether the new permanent board of directors will be elected at the first or second school election after the effective date of consolidation or annexation.

(B) The election for the new permanent school board of directors may take place during the second school election after the effective date of consolidation or annexation only if the state board determines that additional time is required to implement single-member zoned elections.

(e)(1) If the state board determines that an interim board of directors is necessary, the state board shall prescribe:

(A) The number of members for the interim board of directors of the resulting district or receiving district;

(B) The terms of the members of the interim board of directors of the resulting district or receiving district; and

(C) The manner of formation of the interim board of directors of the resulting district or receiving district.

(2) The state board may:

(A) Allow the affected districts and receiving districts thirty (30) days to establish an interim board of directors to govern the resulting district or receiving district that consists of either five (5) or seven (7) members selected from the boards of directors from the affected districts and receiving districts, based on the proportion of the student population of each of the affected districts and receiving districts before consolidation or annexation;

(B) Appoint an interim board of directors to govern the resulting or receiving district that consists of either five (5) or seven (7) members selected from the boards of directors from the affected districts and receiving districts, based on the proportion of the student population of each of the affected districts and receiving districts before consolidation or annexation; or

(C) Designate the existing board of directors of one (1) affected district in a consolidation or the existing board of directors of the receiving district in an annexation as the interim board to govern the resulting district or receiving district.

(f) The state board may determine that an interim board of directors is not necessary and may order the existing board of directors of one (1) affected district in a consolidation, or the existing board of directors of the receiving district in an annexation, to remain as the permanent school board of directors.

(g) An interim board of directors shall serve until the first school election after the effective date of consolidation or annexation unless:

(1) Any members of the permanent board of directors of the resulting district or receiving district are elected from single-member zones, then the interim board of directors may serve until the second school election after the effective date of consolidation or annexation under:

(A) Arkansas Code § 6-13-1415(d)(1)(C); and

(B) Subdivision (d)(3) of this section; or

(2) All the members of the permanent board of directors of the resulting district or receiving district are elected at large, then the state board may stagger the terms of the interim board of directors, which shall be determined by lot so that no more than two (2) members' terms expire during any one (1) year.

(h) If the state board allows the local school districts time to establish an interim board of directors, the board of directors of each affected district before the consolidation, or each affected district and receiving district before the annexation, may determine independently how to select members of the existing board of directors to serve on the interim board of directors, subject to approval by the state board, by:

(1) The voluntary resignation of one (1) or more members of the existing board of directors;

(2) Selecting one (1) or more members of the existing board of directors by a majority vote of the school board; or

(3) Selecting one (1) or more members of the existing board of directors by a random lot drawing.

(i) An interim board of directors shall be established by May 31 of the year preceding the effective date of administrative consolidation or administrative annexation under Arkansas Code § 6-13-1603 if the state board determines that an interim board of directors is necessary.

(j)(1) A consolidation or annexation order adopted by the state board shall be filed with the:

(A) County clerk of each county that contains school district territory of each:

(i) Affected district;

(ii) Receiving district; or

(iii) Resulting district;

(B) Assessor of each county that contains school district territory of each:

(i) Affected district;

(ii) Receiving district; or

(iii) Resulting district;

(C) Secretary of State; and

(D) Arkansas Geographic Information Systems Office.

(2) A consolidation or annexation order shall include a map of the boundaries of the resulting district or receiving district.

(3) A consolidation or annexation order filed with the Secretary of State and the office shall include a digital map showing the boundaries of the resulting district or receiving district in a format prescribed by the office.

6 CAR § 231-209. Voluntary consolidation or annexation — Effective date — Interim board of directors.

(a) Arkansas Code § 6-13-1416 and this section apply to any petition for consolidation or annexation of a school district submitted to the State Board of Education by a school district.

(b) The effective date of a petition for consolidation or annexation of a school district shall be the July 1 after the state board approves the consolidation or annexation petition unless the state board:

(1) Approves an alternative effective date; or

(2) Determines otherwise.

(c)(1) Each board of directors of an affected district and receiving district shall enter into a written agreement:

(A) Approved by the quorum of the members of each board of directors present; and

(B) Executed by the president and secretary of each school district's board of directors.

(2) The written agreement may prescribe the effective date of the annexation of the affected district to the receiving district or the effective date of the formation of the resulting district from consolidation of affected districts, subject to approval by the state board.

(3)(A) The written agreement may prescribe the number of members of the permanent board of directors of the resulting district or receiving district and the manner of formation of the permanent board of directors of the resulting district or receiving district:

(i) Under Arkansas Code § 6-13-1417; or

(ii) As allowed by law.

(B) If the written agreement prescribes the formation of a new permanent board of directors, the written agreement shall specify whether the new permanent board of directors will be elected at the first or second school election after the effective date of consolidation or annexation.

(C) The election of a new permanent board of directors may take place during the second school election after the effective date of consolidation or annexation only if additional time is necessary to implement single-member zoned elections.

(d) The written agreement may prescribe the formation of an interim board of directors, including the number of members, the length of member terms, and the manner of formation as follows:

(1) Establish an interim board of directors to govern the resulting district or receiving district that consists of either five (5) or seven (7) members selected from the boards of directors from the affected districts and receiving districts, based on the proportion of the student population of each of the affected districts and receiving districts before consolidation or annexation;

(2) Designate the existing board of directors of one (1) affected district in a consolidation or the existing board of directors of the receiving district in an annexation as the interim board of directors; or

(3) Determine that an interim board of directors is not necessary, and may designate the existing board of directors of one (1) affected district in a consolidation or the existing board of directors of the receiving district in an annexation to remain as the permanent school board of directors.

(e) If the written agreement prescribes the formation of an interim board of directors, the interim board of directors shall serve until the first school election after the effective date of consolidation or annexation unless:

(1) Any members of the permanent board of directors of the resulting district or receiving district are elected from single-member zones, then the interim board of directors may serve until the second school election after the effective date of consolidation or annexation under:

(A) Arkansas Code § 6-13-1416(c)(3)(B); and

(B) Subdivisions (c)(3)(B) and (C) of this section; or

(2) All the members of the permanent board of directors of the resulting district or receiving district are elected at large, then the written agreement may stagger the terms of the interim board of directors, which shall be determined by lot so that no more than two (2) members' terms expire during any one (1) year.

(f) If the written agreement prescribes formation of an interim board of directors, the board of directors of the affected district before the consolidation or the affected

district and receiving district before annexation may determine independently how to select members of the existing board of directors to serve on the interim board of directors by:

(1) The voluntary resignation of one (1) or more members of the existing board of directors;

(2) Selecting one (1) or more members of the existing board of directors by a majority vote of the school board; or

(3) Selecting one (1) or more members of the existing board of directors by a random lot drawing.

(g) If the written agreement in an administrative consolidation or an administrative annexation under Arkansas Code § 6-13-1603 requires the formation of an interim board of directors, the interim board of directors shall be established by May 31 preceding the effective date of the administrative consolidation or administrative annexation.

(h)(1) An executed copy of the written agreement shall be attached to the petition for consolidation or annexation submitted to the state board.

(2) If the written agreement is approved by the state board, the terms of the written agreement shall be binding upon the affected districts, receiving districts, and resulting districts, including the interim and permanent school boards of directors.

(3) A written agreement under Arkansas Code § 6-13-1416 and this section shall not be effective without approval from the state board.

(i) A consolidation or annexation petition approved by the state board along with an executed copy of the written agreement shall be filed with the:

(1) County clerk of each county that contains school district territory of each:

(A) Affected district;

(B) Receiving district; or

(C) Resulting district;

(2) Assessor of each county that contains school district territory of each:

(A) Affected district;

(B) Receiving district; or

(C) Resulting district;

(3) Secretary of State; and

(4) Arkansas Geographic Information Systems Office.

(j) An approved consolidation or annexation petition shall include a map of the boundaries of the resulting district or receiving district.

(k) An approved consolidation or annexation petition filed with the Secretary of State and the office shall include a digital map showing the boundaries of the resulting district or receiving district in a format prescribed by the office.

(l)(1) A receiving district that received an affected district as a result of a voluntary administrative annexation under Arkansas Code § 6-13-1601 et seq. shall notify all contiguous public school districts of its intent to close a public school campus that is part of an affected district a minimum of (1) year before the closure of the public school campus.

(2) An affected district under this subsection shall have been the result of a voluntary administrative annexation under Arkansas Code § 6-13-1601 et seq. that occurred no more than twenty (20) years ago.

(m)(1) Upon receiving notice from the receiving district under subsection (l) of this section, a contiguous public school district may:

(A) Notify the receiving district of its interest in accepting the affected district for purposes of keeping the public school campus open; and

(B) Petition the state board to:

(i) Reverse the previous voluntary administrative annexation under Arkansas Code § 6-13-1601 et seq.; and

(ii) Consolidate the affected district into the contiguous public school district.

(2) A petition under subdivision (m)(1)(B) of this section shall include the following without limitation:

(A) How the contiguous public school district intends to serve the students of the affected district;

(B) Evidence that the consolidation will not cause fiscal hardship on the contiguous public school district; and

(C) Evidence that the consolidation will not cause fiscal hardship on the affected district.

6 CAR § 231-210. Formation of a permanent board of directors.

(a) A permanent board of directors shall have either five (5) or seven (7) members unless the school district is allowed to have nine (9) members under Arkansas Code § 6-13-634.

(b) The length of the terms of the board of directors may be for the time period prescribed by law and:

(1) Prescribed in the written agreement under:

(A) Arkansas Code § 6-13-1416; and

(B) 6 CAR § 231-209; or

(2) Determined by the permanent board of directors.

(c) At the first meeting of the permanent board of directors, the members shall determine the terms of the board of directors by lot so that not more than two (2) members' terms expire during any one (1) year.

(d) A vacancy on the board of directors shall be filled as prescribed by law.

(e) If single-member election zones are not necessary to comply with the Voting Rights Act of 1965, 52 U.S.C. § 10301 et seq., or with any other federal or state law, any or all of the members of the permanent board of directors may be elected at large.

(f) A minimum of five (5) members of a permanent board of directors shall be elected from single-member election zones if one (1) or more of the following applies:

(1) Single-member election zones are required to comply with the Voting Rights Act of 1965 or other federal law; or

(2) The boards of directors of the affected districts before consolidation or the boards of directors of the affected districts and receiving districts before annexation agree that the permanent board of directors shall be elected from single-member election zones.

(g) If single-member election zones are necessary to comply with the Voting Rights Act of 1965, other federal law, or state law, the resulting district or receiving district shall:

(1) Review the demographic makeup and boundaries of the zones based on the latest decennial census data of the resulting district or receiving district after consolidation or annexation and rezone the resulting district or receiving district as necessary to comply with:

(A) The Voting Rights Act of 1965;

(B) Other federal law; or

(C) State law;

(2) Complete the election rezoning no later than one hundred twenty (120) calendar days before the second school election following the effective date of the consolidation or annexation; and

(3) No later than one hundred twenty (120) calendar days before the second school election following the effective date of the consolidation or annexation, file a digital map, in a format prescribed by the Arkansas Geographic Information Systems Office, detailing the election zone boundaries of the resulting district or receiving district with the:

(A) Secretary of State;

(B) Arkansas Geographic Information Systems Office; and

(C) County clerk of each county that contains school district territory of each:

(i) Affected district;

(ii) Receiving district; or

(iii) Resulting district.

Subpart 3. Voluntary Consolidations and Annexations Involving Small Districts

6 CAR § 231-301. Department records regarding small districts.

The Division of Elementary and Secondary Education shall maintain records of all school districts with fewer than three hundred fifty (350) students according to the school district average daily membership in the school year immediately preceding the current school year.

6 CAR § 231-302. Administrative reorganization.

(a) Any school district with fewer than three hundred fifty (350) students may voluntarily agree to administratively consolidate with or be annexed to another school district or districts in accordance with the requirements and limitations of:

(1) Arkansas Code § 6-13-1603; and

(2) This section.

(b)(1) Any school district with fewer than three hundred fifty (350) students choosing to voluntarily administratively consolidate or annex shall:

(A) Submit a petition for approval to the State Board of Education by March 1; and

(B) Set forth the terms of the administrative consolidation or annexation agreement in the petition.

(2) If the petition is approved by the state board, the administrative consolidation or annexation shall be completed by May 1, to be effective July 1.

(c) The state board shall promptly consider petitions submitted pursuant to this part to administratively consolidate a school district with fewer than three hundred fifty (350) students in order to enable the affected school districts to reasonably accomplish any resulting administrative consolidation or annexation by July 1.

(d) The state board shall not deny the petition for voluntary administrative consolidation or annexation of any two (2) or more school districts unless:

(1) The provisions contained in the articles of administrative consolidation or annexation would violate state or federal law; or

(2) The voluntary consolidation or annexation would not contribute to the betterment of the education of students in the school district.

(e) All administrative consolidations or annexations under Arkansas Code § 6-13-1603 and this section shall be accomplished so as not to create a school district that hampers, delays, or in any manner negatively affects the desegregation of another school district in this state.

(f) In the administratively consolidated or annexed school districts created under Arkansas Code § 6-13-1601 et seq. and this section, the ad valorem tax rate shall be determined as set forth under:

(1) Arkansas Code § 6-13-1409; and

(2) 6 CAR § 231-205.

(g) Nothing in Arkansas Code § 6-13-1603 or this section shall be construed to require the closing of any school or school facility.

(h) No administratively consolidated or annexed resulting or receiving school district shall have more than one (1) superintendent.

(i) Any school district not designated as being in academic or fiscal distress for the current school year and previous two (2) school years that administratively receives by consolidation or annexation a school district designated by the state board as being in academic or fiscal distress at the time of consolidation or annexation shall not be subject to academic or fiscal distress sanctions for a period of three (3) years from the effective date of consolidation unless:

(1) The school district fails to meet minimum teacher salary requirements; or

(2) The school district fails to comply with the Rules Governing Standards for Accreditation of Arkansas Public Schools and School Districts, 6 CAR pt. 61, issued by the division.

(j) Noncontiguous school districts may voluntarily consolidate if the facilities and physical plant of each school district are:

(1) Within the same county, and the state board approves the administrative consolidation; or

(2) Not within the same county, and the state board approves the administrative consolidation or administrative annexation and finds that the administrative consolidation or administrative annexation will:

(A) Result in the overall improvement in the educational benefit to students in all of the school districts involved; or

(B) Provide a significant advantage in transportation costs or service to all of the school districts involved.

(k) Contiguous school districts may administratively consolidate even if they are not in the same county.

(l) The provisions of Arkansas Code §§ 6-13-1415 – 6-13-1417 and 6 CAR §§ 231-208 – 231-210 shall govern the board of directors of each resulting district or receiving district created under:

(1) Arkansas Code § 6-13-1601 et seq.; and

(2) This section.

6 CAR § 231-303. Retention of historical records and documents.

Following the annexations or consolidations under Arkansas Code § 6-13-1601 et seq. effective prior to December 1, 2004, and prior to any consolidation, annexation, detachment, approval of a conversion charter, or any other type of reclassification or reorganization of a school district after December 31, 2004, a receiving or resulting school district shall obtain and retain all student and historical records and documents from the affected school district, specifically including but not limited to:

(1) Student transcripts;

(2) Graduation records;

(3) Minutes and other legal documents of the local board of directors;

(4) Maps or boundary documents;

(5) Sports records, trophies, and awards;

(6) Employee records; and

(7) Financial records.

6 CAR § 231-304. Audit required.

(a) Arkansas Legislative Audit shall conduct a comprehensive financial review of all the school district's financial matters for any school that is involved in administrative

consolidation or administrative annexation or is otherwise reorganized by the State Board of Education.

(b) The comprehensive financial review shall begin no less than ten (10) days after the earliest of:

(1) The filing of a petition for voluntary:

(A) Administrative consolidation; or

(B) Administrative annexation; or

(2) The adoption of a motion by the state board to consolidate, annex, or otherwise reorganize a school district designated as being in academic or fiscal distress.

(c)(1) By January 1 of each year, the Division of Elementary and Secondary Education shall:

(A) Have authority to oversee all fiscal and accounting-related matters of all school districts with fewer than three hundred fifty (350) students; and

(B) Require those school districts to have accurate records necessary to close all books within sixty (60) days after the end of the fiscal year.

(2) No contract or other debt obligation incurred by a school district for which the division has oversight authority under Arkansas Code § 6-13-1608 and this section shall be valid or enforceable against a resulting school district unless the contract or other debt obligation is preapproved in writing by:

(A) The Commissioner of Elementary and Secondary Education; or

(B) His or her designee.

(d) Any school that is involved in an administrative consolidation or administrative annexation shall have an audit started within thirty (30) days of the completion of the closing of the books by the school district.

(e) The division and Arkansas Legislative Audit shall jointly develop the scope and details of the comprehensive fiscal review consistent with the requirements of:

(1) Arkansas Code § 6-13-1608; and

(2) This section.

(f) A school district may not incur debt without the prior written approval of the division if the school district is identified by the division as having fewer than three

hundred fifty (350) students according to the school district average daily membership in the school year immediately preceding the current school year.

6 CAR § 231-305. Preservation of historical artifacts.

Following the administrative consolidations or administrative annexations under Arkansas Code §§ 6-13-1601 – 6-13-1603, § 6-13-1604 [repealed], and § 6-13-1605 [repealed] effective before December 1, 2004, and before any consolidation, annexation, detachment, approval of a conversion charter, or any other type of reclassification or reorganization of a school district after December 31, 2004, a receiving district or resulting district shall obtain, retain, preserve, and, as appropriate, display historical artifacts of the affected district in the same manner as if the historical artifacts were those of the receiving district or resulting district.

6 CAR § 231-306. Financial relief for debts acquired as a result of involuntary consolidations.

(a) As used in this section:

(1) "Accounts payable" means a debt owed by a school district on June 30 immediately prior to administrative consolidation, excluding:

(A) Bonded indebtedness; or

(B) Other long-term debt;

(2) "Available funding" means funds that are:

(A) Available to a school district for paying accounts payable; or

(B) Reasonably expected to be collected and available for payment of accounts payable;

(3) "Excess accounts payable" means accounts payable of an Act 60 school district that exceed available funding; and

(4) "Improper expenditure exceptions" means an erroneous expenditure of federal or state funds that:

(A) Is noted as an audit exception; and

(B) Has been determined by the Division of Elementary and Secondary Education to require an expenditure of funds by the resulting school district to be correct.

(b)(1) The amount of the supplemental funding provided under Arkansas Code § 6-13-1610(b) and subsection (b) of this section shall be equal to the amount of the excess accounts payable and improper expenditure exceptions assumed by the resulting school district.

(2) The amount of accounts payable, excess accounts payable, improper expenditure exceptions, and available funding shall be determined by the division based on information provided in:

(A) A final audit; and

(B) Other verifiable fiscal information available to the division.

(3) The audit of an Act 60 school district required under Arkansas Code § 6-13-1610 and this section shall be completed within the time under Arkansas Code § 6-20-1801(d) for school districts in fiscal distress.

(4) No supplemental funding shall be paid under this section until after completion of a final audit by:

(A) Arkansas Legislative Audit; or

(B) A private certified public accountant that may conduct school district audits under Arkansas Code § 6-20-1801.

(c)(1) Beginning on January 1, the division shall:

(A) Have authority to oversee all fiscal and accounting-related matters of all school districts with fewer than three hundred fifty (350) students; and

(B) Require these school districts to have accurate records necessary to close all books within sixty (60) days of the end of the fiscal year.

(2) No contract or other debt obligation incurred by a school district for which the division has oversight authority under Arkansas Code § 6-13-1610 and this section shall be valid or enforceable against a resulting district unless the contract or other debt obligation is preapproved in writing by:

(A) The Commissioner of Elementary and Secondary Education; or

(B) His or her designee.

6 CAR § 231-307. Annual reports.

(a) By October 1 of each year, the resulting district or receiving district of any school district that was administratively consolidated or administratively annexed under Arkansas Code §§ 6-13-1601 – 6-13-1603, § 6-13-1604 [repealed], and § 6-13-1605 [repealed] shall file a written report with the interim House Committee on Education, the interim Senate Committee on Education, and the Division of Elementary and Secondary Education indicating:

(1) What efforts were made and the results of those efforts for inclusion of parents from the affected district in the receiving district's or the resulting district's activities, including without limitation:

(A) Parent-teacher associations;

(B) Booster clubs; and

(C) Parent involvement committees;

(2) The number and percentage of students from the affected districts participating in an extracurricular activity, itemized by each extracurricular activity offered by the school district and, for each activity, which school district the student attended before reorganization; and

(3) The employment status of each administrator by name, gender, and race before the administrative annexation or administrative consolidation, which school employed the administrator before administrative consolidation, and his or her employment status in the receiving district or the resulting district.

(b) The division shall develop or approve a survey to be used by the resulting or receiving districts to capture perceptual data from parents and students regarding their opinions on:

(1) Opportunities for inclusion or participation in the resulting or receiving district; and

(2) The efforts, if any, that were made to include parents from the affected district in the receiving or resulting district's activities, including, but not limited to:

(A) Parent-teacher associations;

(B) Booster clubs; and

(C) Parent involvement committees.

6 CAR § 231-308. Academic support centers.

(a) The purpose of Arkansas Code § 6-13-1612 and this section is to:

(1) Prevent students who attend administratively consolidated or administratively annexed schools from returning home to communities with little or no opportunities for supplemental academic support;

(2) Increase opportunities for access to library materials, academic resource materials, and educational technology for these students within their local communities; and

(3) Help advance academic performance for these students by providing opportunities for homework and tutorial assistance based on the Arkansas academic standards.

(b) An academic support center may be established in communities whose schools have been closed by administrative consolidation or administrative annexation under Arkansas Code § 6-13-1601 et seq. to fulfill the objectives identified in:

(1) Arkansas Code § 6-13-1612(a); and

(2) This section.

(c) The Division of Elementary and Secondary Education shall report annually to the House Committee on Education and the Senate Committee on Education regarding:

(1) The establishment of academic support centers; and

(2) Their effectiveness.

Subpart 4. Consolidation and Annexation Incentive Funding

6 CAR § 231-401. Definitions applicable to consolidation and annexation incentive funding.

For the purposes of 6 CAR § 231-401 – 231-403, the following definitions apply:

(1) "Annexation" includes both annexation and administrative annexation as defined in 6 CAR § 231-102;

(2) "Consolidation" includes both consolidation and administrative consolidation as defined in 6 CAR § 231-102;

(3) "Detachment" describes the process under which a district formed through a prior annexation or consolidation is altered by an isolated school separating from a resulting or receiving district pursuant to Arkansas Code § 6-13-1801 et seq.

~~(3)~~(4)(A) "Foundation funding" means an amount of money specified by the General Assembly for each school year under Arkansas Code § 6-20-2305 to be expended by school districts for the provision of an adequate education for each student.

(B) "Funding factor" means a factor established by the Division of Elementary and Secondary Education to ensure that the calculated funding does not exceed the funds available for consolidation/annexation incentive funding; and

~~(4)~~ (5) "Per-student foundation funding amount" means a dollar amount established by the General Assembly to be multiplied by the ADM of the previous school year for the district foundation funding.

6 CAR § 231-402. Guidelines for the distribution of consolidation and annexation incentive funding.

(a) The distribution of consolidation and annexation incentive funding is dependent upon appropriation and funding by the General Assembly.

(b) Consolidation/annexation incentive funding shall be determined as follows:

(1)(A) One hundred percent (100%) of the incentive allowance computed as provided in this part shall be in addition to the school district's aid the first year of consolidation/annexation.

(B) The second year of consolidation/annexation, the district shall receive fifty percent (50%) of the consolidation/annexation incentive funding received by the district in the previous year in addition to other state aid.

(C) Beginning in the third year and each year thereafter, no consolidation/annexation incentive funding shall be provided.

(D) The consolidation/annexation incentive is intended to supplement the customary state aid the districts would have received had the consolidation/annexation not occurred;

(2) For those school districts not required to be consolidated/annexed in the current school year, if two (2) districts consolidate or one (1) district is annexed to another school district, multiply the prior year ADM of the smaller district by the per-student foundation funding amount, then by the funding factor, where the:

(A) Minimum ADM applicable is one hundred (100); and

(B) Maximum ADM applicable is three hundred (300);

(3) For those school districts required to be consolidated/annexed in the current school year, if two (2) districts consolidate or one (1) district is annexed to another school district, multiply the prior year ADM of the smaller district by the per-student foundation funding amount, then by the funding factor, where the:

(A) Minimum ADM applicable is one hundred (100); and

(B) Maximum ADM applicable is three hundred (300);

(4) For those school districts not required to be consolidated/annexed in the current school year, if three (3) districts consolidate or two (2) districts are annexed to a third school district, multiply the total prior year ADM of the two (2) smaller districts by the per-student foundation funding amount, then by the funding factor, where the:

(A) Minimum ADM applicable is one hundred (100); and

(B) Maximum ADM applicable is four hundred (400);

(5) For those school districts required to be consolidated/annexed in the current school year, if three (3) districts consolidate or two (2) smaller districts are annexed to another school district, multiply the prior year ADM of the smaller district by the per-student foundation funding amount, then by the funding factor, where the:

(A) Minimum ADM applicable is one hundred (100); and

(B) Maximum ADM applicable is three hundred (300);

(6) For those school districts not required to be consolidated/annexed in the current school year, if four (4) or more districts consolidate or three (3) or more districts are annexed to another school district, multiply the total prior year ADM of all except the largest district by the per-student foundation funding amount, then by the funding factor, where the:

(A) Minimum ADM applicable is one hundred (100); and

(B) Maximum ADM applicable is five hundred (500);

(7) For those school districts required to be consolidated/annexed in the current school year, if four (4) or more districts consolidate or three (3) or more districts are annexed to another school district, multiply the prior year ADM of the smaller district by the per-student foundation funding amount, then by the funding factor, where the:

(A) Minimum ADM applicable is one hundred (100); and

(B) Maximum ADM applicable is three hundred (300); and

(8)(A) If a district is annexed by multiple school districts, the incentive funding shall be computed as in subdivisions (b)(1) – (7) of this section.

(B) The incentive funding shall then be prorated among the receiving districts based upon the percentage of the annexed district's ADM received by each receiving district.

(c)(1) Subject to appropriation, funding shall be available to a resulting or receiving district which lost territory due to a detachment in the first year that an isolated school district established under Arkansas Code § 6-13-1801 et seq. is operational.

(2) The amount of funding the district shall be eligible to receive shall be determined by:

(A) Calculating ninety percent (90%) of the foundation funding established under Arkansas Code § 6-20-2305 and awarded for each student counted in the prior-year three quarter average ADM of the isolated school; and

(B) Subtracting the declining enrollment funding the existing district receives, attributed to the prior-year ADM of a school that voted to detach.

6 CAR § 231-403. General requirements.

(a) Consolidation/annexation incentive funding shall be distributed to either the:

(1) Resulting district or districts established after consolidation or subsequent detachment; or

(2) Receiving district or districts after annexation or subsequent detachment.

(b) ~~Any~~ Except in the case of a detachment, any district that has received consolidation/annexation incentive funds and subsequently dissolves shall be liable to the Division of Elementary and Secondary Education for the full or apportioned amount of incentive funding received if any of the following conditions result due to the dissolution:

(1) Districts are formed with substantially the same boundaries as the former districts prior to consolidation or annexation;

(2) The ability of any district to desegregate or remain desegregated is inhibited; or

(3) The ability of the state to ensure that students are provided a quality education in an efficient manner is inhibited.

(c)(1) Any repayment due, as required in subsection (b) of this section, shall be paid from the assets of the district prior to dissolution of the district.

(2) The division may withhold from any state funding due the district:

(A) The amount of repayment funds; or

(B) A portion thereof.

(d)(1) In the event full repayment is not made as required under subsection (b) of this section, the division shall withhold from those districts that are formed as a result of the dissolution, future state funding in the amount of the repayment owed.

(2) The repayment shall be apportioned among the districts on a per-ADM basis unless the division determines that such apportionment would be inequitable.

(3) In such case, the State Board of Education shall apportion the repayment among the districts upon an equitable basis.

6 CAR § 231-404. State board hearing procedures — Voluntary consolidations and annexations.

(a) All persons wishing to testify before the State Board of Education shall first be placed under oath by the Chair of the State Board of Education.

(b)(1) The spokesperson or spokespersons for the petitioning school districts shall have a total of twenty (20) minutes to present the school districts' remarks.

(2) The state board may allow more than twenty (20) minutes if necessary.

(c)(1) The spokesperson or spokespersons for any individual or group of citizens that opposes the petition shall have a total of twenty (20) minutes to present the remarks of the individual or group of citizens.

(2) The state board may allow more than twenty (20) minutes if necessary.

(d)(1) The spokesperson or spokespersons for the petitioning school districts shall have a total of ten (10) minutes to present closing remarks to the state board.

(2) The state board may allow more than ten (10) minutes if necessary.

(e)(1) The spokesperson or spokespersons for any individual or group of citizens that opposes the petition shall have a total of ten (10) minutes to present closing remarks to the state board.

(2) The state board may allow more than ten (10) minutes if necessary.

(f) The state board shall then discuss, deliberate, and vote upon the matter of approving or denying the school districts' petition.

(g) If it deems necessary, the state board may take the matter under advisement and announce its decision at a later date, provided that all discussions, deliberations, and votes upon the matter take place in a public hearing.

(h) The state board shall issue a written order concerning the matter.

6 CAR § 231-405. State board hearing procedures — Involuntary consolidations and annexations.

(a) All persons wishing to testify before the State Board of Education shall first be placed under oath by the Chair of the State Board of Education.

(b)(1) The spokesperson or spokespersons for the Division of Elementary and Secondary Education shall have a total of twenty (20) minutes to present the division's remarks.

(2) The state board may allow more than twenty (20) minutes if necessary.

(c)(1) The spokesperson or spokespersons for any individual or group of citizens that opposes the annexation or consolidation shall have a total of twenty (20) minutes to present the remarks of the individual or group of citizens.

(2) The state board may allow more than twenty (20) minutes if necessary.

(d)(1) The spokesperson or spokespersons for the division shall have a total of ten (10) minutes to present closing remarks to the state board.

(2) The state board may allow more than ten (10) minutes if necessary.

(e)(1) The spokesperson or spokespersons for any individual or group of citizens that opposes the annexation or consolidation shall have a total of ten (10) minutes to present closing remarks to the state board.

(2) The state board may allow more than ten (10) minutes if necessary.

(f) The state board shall then discuss, deliberate, and vote upon the matter of approving or denying the school districts' petition.

(g) If it deems necessary, the state board may take the matter under advisement and announce its decision at a later date provided that all discussions, deliberations, and votes upon the matter take place in a public hearing.

(h) The state board shall issue a written order concerning the matter.

Subpart 5. Waivers

6 CAR § 231-501. Minimum school district size waiver.

(a) A school district with fewer than three hundred fifty (350) students may annually request a waiver from the average daily membership requirement of three hundred fifty (350) students from the State Board of Education.

(b)(1) A school district shall submit a petition for a waiver to the state board no later than February 1 prior to the school year in which the waiver will take effect.

(2) The petition for waiver shall include:

(A) The average daily membership of the school district in the current school year;

(B) A statement that the school district is not in probationary status for any violation of the Rules Governing Standards for Accreditation of Arkansas Public Schools and School Districts, 6 CAR pt. 61;

(C) A copy of the school district's current year budget and any fiscal audit conducted within the previous two (2) years; and

(D) A statement of assurance that the school district is not currently classified in:

(i) Academic distress;

(ii) Fiscal distress; or

(iii) Facilities distress.

(c) The state board shall render a decision to either grant or reject a petition for waiver that is received by a school district within forty-five (45) days of receipt.

(d) The state board shall grant a petition for a waiver if it is demonstrated by the school district that:

(1) The school district is not currently classified in:

(A) Academic distress;

(B) Fiscal distress; or

(C) Facilities distress;

(2) The school district is not in probationary status for a violation of the Rules Governing Standards for Accreditation of Arkansas Public Schools and School Districts, 6 CAR pt. 61;

(3) The academic facilities owned and operated by the school district are adequate as evidenced by the school district's facilities master plan; and

(4) It is in the best interest of the students in the school district to keep the school district open due to the length of potential time spent on the bus by a student traveling to and from school should the school district be administratively reorganized, as assured by the school board of directors of the school district requesting the waiver.

(e)(1) The state board may revoke a waiver that has been granted to a school district at any time if it is found that the conditions under Arkansas Code § 6-13-1613(b)(2)(A) and subsection (d) of this section change.

(2) A hearing shall be conducted using the following procedures:

(A) All persons wishing to testify before the state board shall first be placed under oath by the Chair of the State Board of Education;

(B)(i) The spokesperson or spokespersons for the division shall have a total of twenty (20) minutes to present the division's remarks.

(ii) The state board may allow more than twenty (20) minutes if necessary;

(C)(i) The spokesperson or spokespersons for the district shall have a total of twenty (20) minutes to present the district's remarks.

(ii) The state board may allow more than twenty (20) minutes if necessary;

(D)(i) The spokesperson or spokespersons for the division shall have a total of ten (10) minutes to present closing remarks to the state board.

(ii) The state board may allow more than ten (10) minutes if necessary;

(E)(i) The spokesperson or spokespersons for the district shall have a total of ten (10) minutes to present closing remarks to the state board.

(ii) The state board may allow more than ten (10) minutes if necessary;

(F) The state board shall then discuss, deliberate, and vote upon the matter of revoking the school districts' waiver;

(G) If it deems necessary, the state board may take the matter under advisement and announce its decision at a later date, provided that all discussions, deliberations, and votes upon the matter take place in a public hearing; and

(H) The state board shall issue a written order concerning the matter.

Subpart 6. Boundary Change Petitions to the State Board of Education

6 CAR § 231-601. General provisions.

(a)(1) A school district may request the State Board of Education modify the boundary between two (2) school districts under the boundary change process established in Arkansas Code § 6-13-1414 by filing a petition with the state board.

(2) The boundary change process does not allow territory of a district to be added to the territory of another district if that territory includes real property on which a school facility in active use is located.

(b) Prior to filing a boundary change petition, the local school district seeking a boundary change shall:

(1) Notify the district or districts which would be affected by the proposed boundary change;

(2) Satisfy the boundary negotiation requirements of 6 CAR § 231-602; and

(3)(A) Publish notice in the local newspapers of general circulation in each affected district no less than one (1) time a week for two (2) consecutive weeks.

(B) The notice shall contain the following information:

(i) The name of the school district asking the state board for the boundary change;

(ii) The name of all other school districts affected by the proposed boundary change;

(iii) A map reflecting the proposed boundary change which clearly shows which district will lose territory and which district will gain that territory;

(iv) The amount of tax revenue that was collected from the properties affected by the proposed boundary change expressed in dollars;

(v) An estimate of the number of students whose district assignment would be modified by the proposed boundary change;

(vi) A statement describing why the proposed boundary change is being requested; and

(vii) A venue to submit written public comments regarding the proposed boundary change.

(c) A petition for a boundary change shall:

(1) Be in writing;

(2) Be adopted by a majority vote of the petitioning board of directors; and

(3) Utilize the form provided by the Division of Elementary and Secondary Education.

(d) Prior to the meeting in which the petition is considered, each district shall submit the following information to the state board:

(1) The number of students who currently attend that district and who would no longer attend the district if the boundary change requested by the petition was currently in effect;

(2) The total student population of the district;

(3) The amount of tax revenue derived in the prior tax year from property located within the district's territory that would fall outside the district's territory if the petition is granted;

(4) The total property tax revenue received by the district in the prior tax year; and

(5) The text of all written public comments submitted to the district regarding the proposal.

6 CAR § 231-602. Boundary negotiation requirements.

(a) A school district which seeks a boundary change shall be required to meet with all adjoining school districts affected by the proposed boundary change.

(b)(1) In the meeting required by subsection (a) of this section, the district representatives shall:

(A) Consider the basis of the boundary change petition as presented by the petitioning district;

(B) Discuss the merits of modification to the existing boundaries based on the factors set out in 6 CAR § 231-604(c); and

(C) Determine whether a mutually agreed upon boundary can be established which would address the concerns of all affected districts.

(2) If an agreement to modify the district boundary is reached, that agreement must be ratified through the adoption of a resolution by the board of directors of each district affected by the boundary change in order to constitute an agreement pursuant to Arkansas Code § 6-13-1414(c) and 6 CAR § 231-604(b).

6 CAR § 231-603. Procedure for consideration of a boundary change petition.

(a) A school district shall file its petition with the State Board of Education only upon completion of the requirements provided in 6 CAR § 231-601(b).

(b)(1) If a petition is filed at least thirty (30) days prior to the next regularly scheduled state board meeting, the petition shall be placed on the agenda for that meeting.

(2) If the petition is filed less than thirty (30) days prior to the next regularly scheduled state board meeting, the petition shall be considered at the following state board meeting.

(c) When a boundary change petition is received, the Department of Education shall give notice to each district affected of the date, time, and location of the state board meeting in which the petition will be considered and a copy of the petition.

(d) Prior to considering a boundary change petition, the department shall seek an advisory opinion from the Attorney General concerning the impact of the proposed

boundary change on the effort of the state to assist a school district or districts in desegregation of the public schools of this state.

(e) All persons wishing to testify before the state board shall first be placed under oath by the Chair of the State Board of Education.

(f)(1) The spokesperson for the petitioning school districts shall have a total of fifteen (15) minutes to present the school districts' argument in favor of a boundary change.

(2) The state board may allow more than fifteen (15) minutes if necessary.

(g)(1) The spokesperson for each additional school district affected by the boundary change proposal shall have a total of fifteen (15) minutes to present the school districts' position on the proposal.

(2) The state board may allow more than fifteen (15) minutes if necessary.

(h)(1) The spokesperson or spokespersons for the petitioning school districts shall have a total of five (5) minutes to present closing remarks to the state board.

(2) The state board may allow more than five (5) minutes if necessary.

(i) The state board may allow public comment by other interested parties at its discretion and for a time period to be determined by the state board.

(j) The state board shall then discuss, deliberate, and vote upon the matter of proposed boundary change.

(k) When resolving a boundary change petition, the state board may:

(1) Grant the petition in its entirety;

(2) Deny the petition in its entirety;

(3) Grant the petition to modify the districts boundary creating a new boundary other than the boundary proposed in the petition;

(4) Dismiss the petition for failure to satisfy the procedural requirements in 6 CAR §§ 231-601 and 231-602; and

(5) Take the matter under advisement and announce its decision at a later date, provided that all discussions, deliberations, and votes upon the matter take place in a public hearing.

(l) The state board shall issue a written order concerning the matter.

6 CAR § 231-604. Standard of review for a boundary change petition.

(a) The resolution of a boundary change petition shall be decided by a majority of the members of the quorum present.

(b) When the petitioner's boundary change proposal is supported by a resolution adopted by a vote of each affected school district board of directors, the State Board of Education shall approve the boundary change proposal unless the state board determines:

(1) The proposed boundary change will have a substantial adverse effect on the education of students in the affected districts;

(2) The proposed boundary change will significantly increase the time students spend on district-provided transportation; or

(3) The proposed boundary change may cause an affected district to enter fiscal ~~destress~~distress.

(c) When the petitioner's boundary change proposal is opposed by one (1) or more affected school district, the state board shall consider the following factors when exercising its best judgment regarding whether the petition should be granted:

(1) The impact on the education of students affected by the proposed boundary change;

(2)(A) The number of voluntary transfer students who reside in the territory subject to the proposed boundary change that would become residents of the district if the petition is granted.

(B) If more than sixty-seven percent (67%) of the students who reside in the territory subject to the proposed boundary change have voluntarily transferred to the district that would become the student's resident district if the petition were granted, there shall be a rebuttable presumption that the petition should be granted;

(3) The effect the petition would have on the distance students must travel in order to access public education provided by the state;

(4) The capacity of the district gaining territory to absorb the increased student population;

(5) The extent to which the change will increase the cohesiveness of municipalities or community groups; and

(6) The financial impact of the change on the affected district.

(d) In all cases, any boundary change proposal that hampers, delays, or in any manner negatively affects the desegregation efforts of any district affected by the petition shall be denied.

6 CAR § 231-605. Implementation of a boundary change.

(a) When the State Board of Education issues an order altering the boundary of two (2) or more school districts under 6 CAR § 231-603(l), the order shall be submitted to the petitioner and each district which was subject to the petition.

(b) If the order makes a change to an existing school district boundary, the Department of Education shall:

(1) File the order with the Arkansas Geographic Information System Office who shall produce maps reflecting the order of the state board; and

(2) File the order and the maps produced by the Arkansas Geographic Information System Office with:

(A) The county clerk of each county in which a school district that had its boundary changed has territory;

(B) The assessor of each county in which a school district that had its boundary changed has territory; and

(C) The Secretary of State.

Subpart 7. Forms

6 CAR § 231-701. Forms required under this part.

(a) The Division of Elementary and Secondary Education shall develop forms required under this part for nonadministrative consolidation or annexations including but not limited to the following:

(1) Petition for Annexation;

(2) Petition for Consolidation;

(3) Resolution of the Local School Board of Directors; and

(4) Affidavit Concerning Desegregation Orders.

(b) The division shall develop forms required under this part for administrative consolidation or annexations including but not limited to the following:

(1) Petition for Voluntary Administrative Annexation;

(2) Petition for Voluntary Administrative Consolidation;

(3) Resolution of the Local School Board of Directors;

(4) Affidavit of Average Daily Enrollment;

(5) Affidavit of Isolated School Status; and

(6) Affidavit Concerning Desegregation Orders.

(c) The division shall develop forms required under this part for a boundary change petition including but not limited to the following:

(1) Petition for a School District Boundary Change;

(2) Resolution of the Local School Board of Directors; and

(3) Affidavit Concerning Desegregation Orders.

(d) Forms submitted to the State Board of Education pursuant to this part shall be those forms published on the website of the division.

State of Arkansas *As Engrossed: H4/22/26 H4/27/26*
95th General Assembly **A Bill**
Fiscal Session, 2026 HOUSE BILL 1007

By: Joint Budget Committee

For An Act To Be Entitled

AN ACT TO MAKE AN APPROPRIATION FOR PUBLIC SCHOOL FUND GRANTS FOR THE DEPARTMENT OF EDUCATION - DIVISION OF ELEMENTARY AND SECONDARY EDUCATION - PUBLIC SCHOOL FUND FOR THE FISCAL YEAR ENDING JUNE 30, 2027; AND FOR OTHER PURPOSES.

Subtitle

AN ACT FOR THE DEPARTMENT OF EDUCATION - DIVISION OF ELEMENTARY AND SECONDARY EDUCATION - PUBLIC SCHOOL FUND APPROPRIATION FOR THE 2026-2027 FISCAL YEAR.

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

SECTION 1. APPROPRIATION - GRANTS AND AID TO LOCAL SCHOOL DISTRICTS AND SPECIAL PROGRAMS. There is hereby appropriated, to the Department of Education, to be payable from the Division of Elementary and Secondary Education Public School Fund Account, for grants and aid to local school districts and special programs of the Department of Education - Division of Elementary and Secondary Education for the fiscal year ending June 30, 2027, the following:

ITEM NO.		FISCAL YEAR 2026-2027
(01)	98% URT ACTUAL COLLECTION ADJUSTMENT	$34,500,000

(02)	ADVANCED PLACEMENT INCENTIVE	1,275,000
(03)	ALTERNATIVE LEARNING	35,783,095
(04)	ARKANSAS EASTER SEALS	193,113
(05)	ASSESSMENT/END OF LEVEL TESTING	*21,309,189*
(06)	AT RISK	1,688,530
(07)	BETTER CHANCE PROGRAM	114,000,000
(08)	BONDED DEBT ASSISTANCE	28,455,384
(09)	COMPUTER SCIENCE INITIATIVE	3,500,000
(10)	CONSOLIDATION INCENTIVE	5,981,400
(11)	CONTENT STANDARDS	161,000
(12)	CONTENTS STANDARDS CURRICULUM FRAMEWORKS	50,000
(13)	COOP EDUCATION TECH CENTERS	1,200,000
(14)	COORDINATED SCHOOL HEALTH	*4,200,000*
(15)	DECLINING ENROLLMENT	23,963,389
(16)	DEPT OF CORRECTION	8,702,425
(17)	DISTANCE LEARNING	4,760,000
(18)	DISTANCE LEARNING OPERATIONS	7,575,000
(19)	EARLY CHILDHOOD SPECIAL EDUCATION	22,897,920
(20)	ECONOMIC EDUCATION	*600,000*
(21)	EDUCATION SERVICE COOPERATIVES	6,129,270
(22)	ENGLISH LANGUAGE LEARNERS	19,075,847
(23)	ENHANCED STUDENT ACHIEVEMENT FUNDING	246,723,439
(24)	ENHANCED TRANSPORTATION FUNDING	8,000,000
(25)	ESA MATCHING GRANT PROGRAM	*5,776,183*
(26)	GIFTED & TALENTED	1,560,381
(27)	GRANTS TO SCHOOL DISTRICTS	67,856
(28)	HUMAN DEVELOPMENT CENTER EDUCATION AID	526,150
(29)	INTERVENTION BLOCK GRANTS	302,000
(30)	ISOLATED FUNDING	7,896,000
(31)	LEADERSHIP ACADEMY-MASTER PRINCIPAL	1,400,000
(32)	MASTER PRINCIPAL BONUS	175,000
(33)	MATERNITY LEAVE	3,000,000
(34)	MERIT TEACHER INCENTIVE	10,000,000
(35)	MINIMUM TEACHER SALARY AND RAISES	190,000,000
(36)	NATIONAL BOARD OF PROF TEACHING STANDARDS	18,738,000
(37)	NON-TRADITIONAL LICENSURE	50,000

(38)	OE CHARTER FAC FUNDING AID PROGRAM	*10,775,000*
(39)	PROFESSIONAL DEVELOPMENT FUNDING	37,175,911
(40)	PUBLIC SCHOOL EMPLOYEE INSURANCE	*292,000,000*
(41)	R.I.S.E. ARKANSAS	10,470,000
(42)	RESIDENTIAL CENTERS/JUVENILE DETENTION	16,345,087
(43)	SCHOOL FACILITY JOINT USE SUPPORT	500,000
(44)	SCHOOL FUNDING CONTINGENCY	25,000,000
(45)	SCHOOL RECOGNITION	7,000,000
(46)	SCHOOL WORKER DEFENSE	390,000
(47)	SERIOUS OFFENDER	1,716,859
(48)	SMART START/SMART STEP	10,666,303
(49)	SPECIAL EDUCATION - HIGH COST OCCURRENCES	*18,378,763*
(50)	SPECIAL EDUCATION SERVICES	2,802,527
(51)	SPECIAL NEEDS ISOLATED FUNDING	3,000,000
(52)	STATE FOUNDATION FUNDING	2,206,861,456
(53)	STUDENT GROWTH	37,690,144
(54)	TEACHER LICENSING/MENTORING	6,065,758
(55)	TEACHER OF THE YEAR	100,000
(56)	TEACHER RETIREMENT MATCHING	14,776,754
(57)	TEACHER SALARY EQUALIZATION	60,000,000
(58)	TECHNOLOGY GRANTS	3,602,678
(59)	TECHNOLOGY IMPROVEMENTS	500,000
(60)	TRANSPORTATION MODERNIZATION GRANTS	5,000,000
(61)	WORKER'S COMPENSATION	450,000
(62)	*YOUTH SHELTERS*	*165,000*
(63)	*HIGH IMPACT TUTORING*	*20,000,000*
(64)	*IMAGINATION LIBRARY*	*1,500,000*
(65)	*LITERACY COACHES*	*19,000,000*
(66)	*SUPPLEMENTAL EDUCATION SERVICES*	*8,030,000*
(67)	*TEACHER ACADEMY*	*2,089,000*
	TOTAL AMOUNT APPROPRIATED	*$3,662,266,811*

SECTION 2. REGULAR SALARIES - ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK. There is hereby established for the Department of Education - Division of Elementary and Secondary Education - Arkansas Public School Computer Network for the 2026-2027 fiscal year, the following maximum number of regular

employees.

Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2026-2027
(1)	EES02P	EDUCATION PROFESSIONAL II	1	GRADE SPC04
(2)	EEP06P	EDUCATION PROGRAM SUPERVISOR/EXPERT	2	GRADE SGS10
(3)	PAS02P	ADMINISTRATIVE COORDINATOR	1	GRADE SGS04
(4)	IIS07C	IT INFRASTRUCTURE ENGINEER	1	GRADE IST10
(5)	IIA06C	IT MANAGER	1	GRADE IST10
(6)	IDN02P	DATA ANALYST SUPERVISOR/EXPERT	1	GRADE IST09
(7)	IIP02P	IT PROJECT MANAGER	4	GRADE IST08
(8)	IAS01P	APPLICATIONS ANALYST I	3	GRADE IST07
(9)	IDN01P	DATA ANALYST	1	GRADE IST07
(10)	IDM02P	DATABASE ANALYST	1	GRADE IST07
(11)	IDM03P	DATABASE SPECIALIST	2	GRADE IST05
(12)	IUS04P	USER SUPPORT SPECIALIST	26	GRADE IST02
(13)	EEP03P	EDUCATION PROGRAM COORDINATOR	1	GRADE SGS07
		MAX. NO. OF EMPLOYEES	45	

SECTION 3. APPROPRIATION - ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK. There is hereby appropriated, to the Department of Education, to be payable from the Division of Elementary and Secondary Education Public School Fund Account, for personal services and operating expenses of the Department of Education - Division of Elementary and Secondary Education - Arkansas Public School Computer Network for the fiscal year ending June 30, 2027, the following:

ITEM NO.		FISCAL YEAR 2026-2027
(01)	REGULAR SALARIES	$2,633,280
(02)	PERSONAL SERVICES MATCHING	946,438
(03)	MAINT. & GEN. OPERATION	
	(A) OPER. EXPENSE	*34,845,839*
	(B) CONF. & TRAVEL	7,250

	(C) PROF. FEES	0
	(D) CAP. OUTLAY	200,000
	(E) DATA PROC.	0
(04)	DATA ACCESS IMPLEMENTATION	300,000
	TOTAL AMOUNT APPROPRIATED	*$38,932,807*

SECTION 4. REGULAR SALARIES - OFFICE OF EDUCATION RENEWAL ZONES. There is hereby established for the Department of Education - Division of Elementary and Secondary Education - Office of Education Renewal Zones for the 2026-2027 fiscal year, the following maximum number of regular employees.

Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2026-2027
(1)	EEP03P	EDUCATION PROGRAM COORDINATOR	3	GRADE SGS07
(2)	PAS02P	ADMINISTRATIVE COORDINATOR	1	GRADE SGS04
		MAX. NO. OF EMPLOYEES	4	

SECTION 5. APPROPRIATION - OFFICE OF EDUCATION RENEWAL ZONES. There is hereby appropriated, to the Department of Education, to be payable from the Division of Elementary and Secondary Education Public School Fund Account, for personal services, operating expenses, and grants by the Department of Education - Division of Elementary and Secondary Education - Office of Education Renewal Zones for the fiscal year ending June 30, 2027, the following:

ITEM NO.		FISCAL YEAR 2026-2027
(01)	REGULAR SALARIES	$145,568
(02)	PERSONAL SERVICES MATCHING	58,129
(03)	MAINT. & GEN. OPERATION	
	(A) OPER. EXPENSE	25,000
	(B) CONF. & TRAVEL	3,000
	(C) PROF. FEES	0
	(D) CAP. OUTLAY	0

	(E) DATA PROC.	0
(04)	EDUCATIONAL RENEWAL ZONE GRANTS	1,101,150
	TOTAL AMOUNT APPROPRIATED	$1,332,847

SECTION 6. APPROPRIATION - SEXUAL RISK AVOIDANCE EDUCATION PROGRAM. There is hereby appropriated, to the Department of Education, to be payable from the Division of Elementary and Secondary Education Public School Fund Account, for personal services, operating expenses, and grants and aid for the Sexual Risk Avoidance Education Program by the Department of Education - Division of Elementary and Secondary Education - Sexual Risk Avoidance Education Program for the fiscal year ending June 30, 2027, the following:

ITEM NO.		FISCAL YEAR 2026-2027
(01)	SEXUAL RISK AVOIDANCE EDUCATION PROGRAM	$4,000,000

SECTION 7. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. FUND ALLOCATION. The appropriation for the Isolated Funding line item in the Grants and Aid to Local School Districts and Special Programs section of this Act may be fully funded. Any funding and appropriation for Isolated Funding that is not utilized shall be transferred to the appropriation for Special Needs Isolated Funding in the Grants and Aid to Local School Districts and Special Programs section of this Act and shall be used there for fully funding each subsection (c) through (f) of Arkansas Code § 6-20-604 on a pro rata basis until the available funds are exhausted. Pro rata basis is defined as providing each district qualifying for additional funding under subsections (c) through (f) a proportionate share based on how each district's additional funding amount bears to the total additional funding amounts for all qualifying districts. If any funding and appropriation remains after funding each subsection (c) through (f) of Arkansas Code § 6-20-604 the remaining balance shall be used to fund the provisions of Arkansas Code § 6-20-604 (h) on an equal basis until the available funds are exhausted.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 8. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. GRANTS TO SCHOOL DISTRICTS. For the purposes of distributing the Grants To School Districts appropriation in the Grants and Aid to Local School Districts and Special Programs section of this Act, "school district" means a school district which contracts with a school district in an adjoining state for the education of some of the pupils within the Arkansas school district because the portion of the school district wherein such pupils live is completely separated from the remainder of the school district by a reservoir covering at least 12,000 acres at normal water level, and where to attend school in their own district, the pupils of said portion would be required to travel or to be transported a distance (measured by the nearest highway or road route) of more than 35 miles round trip and pass through another school district or districts. The Department of Education shall distribute the monies appropriated for Grants to School Districts in the Grants and Aid to Local School Districts and Special Programs section of this Act to such school districts as reimbursement for expenses incurred in educating the pupils residing in the separated portion of the school district. The payments are to be limited to the amount of available appropriation. Such school districts shall file a request for reimbursement with the Department of Education and provide the Department of Education with such documentation as is deemed necessary.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 9. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. SPECIAL EDUCATION SERVICES. The funds appropriated in the line item "Special Education Services" in the Grants and Aid to Local School Districts and Special Programs section of this Act shall be used to provide extended year summer programs for handicapped students in need of such services, to provide special education services to foster children who are wards of the State, and to provide funds for the payment of salaries of special education supervisors. The Department of Education shall distribute such funds in the manner necessary to carry out the intent of this Section.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TRANSFER AUTHORITY. The Commissioner of the Department of Education, with the approval of the Chief Fiscal Officer of the State and after approval by the Arkansas Legislative Council or Joint Budget Committee, is hereby authorized to request necessary appropriation transfers and any other budget related adjustments necessary within the Department of Education. Provided, however, that the Department of Education shall be limited to submitting no more than two transfer requests during any fiscal year.

Determining the maximum number of employees and the maximum amount of appropriation and general revenue funding for a state agency each fiscal year is the prerogative of the General Assembly. This is usually accomplished by delineating such maximums in the appropriation act(s) for a state agency and the general revenue allocations authorized for each fund and fund account by amendment to the Revenue Stabilization law. Further, the General Assembly has determined that the Department of Education may operate more efficiently if some flexibility is provided to the Commissioner of the Department of Education authorizing broad powers under the Transfer Authority provision herein. Therefore, it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval of the Legislative Council or Joint Budget Committee as provided by this section. The requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this section. If the requirement of approval by the Legislative Council or Joint Budget Committee is ruled unconstitutional by a court jurisdiction, this entire section is void.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. AETN DOCUMENTED QUIZ BOWL COSTS. Of the total amount of appropriation and funds authorized herein to the Department of Education for the Quiz Bowl each fiscal year, an amount not to exceed forty thousand dollars ($40,000) each

fiscal year may be made available to the Department of Education - Educational Television Division for its documented costs associated with the Quiz Bowl.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. RETIREMENT MATCHING. Beginning with the 1996-97 school year, Local School Districts shall pay the teacher retirement employer contribution rate for any eligible employee in accordance with rules and regulations established by the Teacher Retirement Board of Directors. The appropriation contained herein for Teacher Retirement Matching each fiscal year shall be used to provide the employer matching for employees of the Cooperative Education Services Areas, Vocational Centers, Arkansas Easter Seals and the school operated by the Department of Correction.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. BETTER CHANCE PROGRAM ADMINISTRATIVE FEES. The Department of Education is hereby authorized to expend a maximum of two percent (2%) of available funds for administration of the Better Chance Program. Up to 1.8% of available funds shall be used to administer the program and to monitor program grantees to ensure compliance with programmatic standards. Prior to the utilization of the remaining 0.2% of available funds, the Department of Education shall seek prior review and approval of the Arkansas Legislative Council or Joint Budget Committee by providing a written request to include the following: a) the Department's reason(s) for the use of the funds and b) the amount of funds that will be expended. The Department may contract with the Division of Elementary and Secondary Education to administer the program.

Determining the maximum number of employees and the maximum amount of appropriation and general revenue funding for a state agency each fiscal year is the prerogative of the General Assembly. This is usually accomplished by delineating such maximums in the appropriation act(s) for a state agency and

the general revenue allocations authorized for each fund and fund account by amendment to the Revenue Stabilization law. Therefore, it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval of the Legislative Council or Joint Budget Committee as provided by this section. The requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this section. If the requirement of approval by the Legislative Council or Joint Budget Committee is ruled unconstitutional by a court of competent jurisdiction, this entire section is void.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 14. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
CARRY FORWARD - ARKANSAS BETTER CHANCE. Any unexpended balance of monies allocated for the Arkansas Better Chance for School Success Program remaining on June 30, ~~2026~~ 2027, in the Division of Elementary and Secondary Education Public School Fund Account shall be designated and retained for the Arkansas Better Chance for School Success Program.

Any carry forward of unexpended balance of funding as authorized herein, may be carried forward under the following conditions:

(1) Prior to June 30, ~~2026~~ 2027 the Agency shall by written statement set forth its reason(s) for the need to carry forward said funding to the Department of Finance and Administration Office of Budget;

(2) The Department of Finance and Administration Office of Budget shall report to the Arkansas Legislative Council or Joint Budget Committee all amounts carried forward by the September Arkansas Legislative Council or Joint Budget Committee meeting which report shall include the name of the Agency, Board, Commission or Institution and the amount of the funding carried forward, the program name or line item, the funding source of that appropriation and a copy of the written request set forth in (1) above;

(3) Each Agency, Board, Commission or Institution shall provide a written report to the Arkansas Legislative Council or Joint Budget Committee containing all information set forth in item (2) above, along with a written statement as to the current status of the project, contract, purpose etc. for which the carry forward was originally requested no later than thirty (30)

days prior to the time the Agency, Board, Commission or Institution presents its budget request to the Arkansas Legislative Council/Joint Budget Committee; and

(4) Thereupon, the Department of Finance and Administration shall include all information obtained in item (3) above in the budget manuals and/or a statement of non-compliance by the Agency, Board, Commission or Institution.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 15. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. ARKANSAS/STRIVE PROGRAM TRANSFER. The Chief Fiscal Officer of the State shall transfer on his books and those of the State Treasurer and the State Auditor, the sum of two hundred thousand dollars ($200,000) during each fiscal year from the Division of Elementary and Secondary Education Public School Fund Account to the University of Arkansas at Little Rock Fund, specifically to provide funding for the Arkansas/STRIVE Program. The total amount of funds transferred each fiscal year pursuant to this section shall not be subject to any indirect costs by the University of Arkansas at Little Rock.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 16. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. ARKANSAS GOVERNOR'S SCHOOL FUNDING. The Department of Education shall allocate, budget and commit for expenditure two hundred fifty thousand dollars ($250,000), in addition to funds already being provided for the Arkansas Governor's School, to fund the appropriation authorized from general revenue for the Gifted and Talented program as appropriated in the Grants and Aid to Local School Districts and Special Programs section herein. With this additional funding either the department shall increase the number of grants for AEGIS summer enrichment programs, or the duration of the Arkansas Governor's School shall be extended from four (4) weeks to six (6) weeks.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 17. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. EAST FUNDING PROVISION. Of the total amount appropriated for Technology Grants each fiscal year, an amount of not less than three million five thousand dollars ($3,005,000) or eighteen percent (18%), whichever is greater each fiscal year, shall be awarded through a grant or professional services contract for the EAST Initiative. Not less than one million dollars ($1,000,000) of the three million five thousand dollars ($3,005,000) or eighteen percent (18%) of the Technology Grants Line Item awarded to the EAST Initiatives shall be used for EAST infrastructure and personnel growth for the establishment of new programs. The remaining funding shall be used for existing EAST infrastructure, personnel, and operating expenses of the EAST Initiative. The EAST infrastructure grant or contract for personal services and operating expenses shall be awarded to an entity that has personnel or experience, or both, in implementing the EAST Initiative.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 18. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. INTERVENTION BLOCK GRANTS FUNDING RESTRICTION. The Department of Education shall make available from the Intervention Block Grants appropriation authorized by this Act, one hundred thousand dollars ($100,000) each fiscal year for the annual expenses of the Quiz Bowl, thirteen thousand five hundred dollars ($13,500) each fiscal year for Creativity in Arkansas, Inc. for grants up to $1,000 each for students and chaperones, thirteen thousand five hundred dollars ($13,500) each fiscal year for Destination Imagination, one hundred thousand dollars ($100,000) each fiscal year for the State History Day Competition, and seventy-five thousand dollars ($75,000) each fiscal year for a grant to the Arkansas Science Fair Association for grants to regional and the state science fairs. The Department of Education shall allocate General Revenue funding totaling no less than three hundred two thousand dollars ($302,000) each fiscal year from the Division of Elementary and Secondary Education Public School Fund Account to support the annual expenses of the Quiz Bowl, the Creativity in Arkansas, Inc. for grants up to $1,000

each for students and chaperones, Destination Imagination, the State History Day Competition, and the Arkansas Science Fair Association for grants to regional and state science fairs. The Department shall either expend or have committed for expenditure the monies allocated for the Quiz Bowl, Creativity in Arkansas, Inc., Destination Imagination, the State History Day Competition, and Arkansas Science Fair Association grants as authorized herein in order to fulfill the provisions of this section.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 19. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. PROFESSIONAL DEVELOPMENT.

(a) Of the total amount appropriated for Professional Development Funding, three million five hundred thousand dollars ($3,500,000) may be authorized by the Commissioner of the Department of Education to be used by the Department of Education to develop and implement statewide professional development support systems for teachers that will benefit student achievement.

(b)(1) The Department of Education shall annually report the following information concerning the Arkansas Online Professional Development Initiative under § 6-17-707:

(1) Annual expenditure information;

(2) Statistical information pertaining to users of the initiative;

(3) Course offerings;

(4) Course hours completed; and

(5) Certificates awarded.

(2) The report under subsection (b)(1) of this section shall be annually submitted by August 1 to the:

(1) Governor;

(2) Legislative Council or, if the General Assembly is in session, the Joint Budget Committee;

(3) Senate Committee on Education;

(4) House Committee on Education; and

(5) Department of Finance and Administration.

(c) The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 20. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
ESA MATCHING GRANT PROGRAM.

(a)(1) Of the appropriation and funding for the ESA MATCHING GRANT PROGRAM Item in the Grants and Aid to Local School Districts and Special Programs section of this Act, five million three hundred thousand dollars ($5,300,000) shall be set aside by the Department of Education and shall be used for school district expenditures for evidence-based programs to improve academic achievement of identified national school lunch students.

(2) These programs shall be limited to:

(A) Tutors as set out in § 6-20-2305(b)(4)(C)(i)(b)(4);

(B) Before-school academic programs and after-school academic programs, including transportation to and from the programs under § 6-20-2305(b)(4)(C)(i)(b)(2); and

(C) Prekindergarten programs under § 6-20-2305(b)(4)(C)(i)(b)(3).

(b)(1) Set aside funds authorized in subsection (a) of this section shall be distributed to school districts on a dollar for dollar matching basis of school district expenditures for programs under subsection (a) of this section on a pro rata basis until the available funds are exhausted.

(2) As used in this subsection, "pro rata basis" means providing each district qualifying for additional funding in a proportionate share based on how each district’s expenditure bears to the total of funding provided in subsection (a) of this section for all qualifying districts as determined by the Department of Education.

(c) If any funding remains after funding subsection (b) of this section, that remaining balance shall be carried over to the following fiscal year for the same purposes as provided in this section.

(d) The Department of Education shall adopt rules as necessary to implement this section.

(e) The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 21. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS

CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. R.I.S.E. ARKANSAS. The appropriation for the R.I.S.E. Arkansas line item in the Grants and Aid to Local School Districts and Special Programs section of this Act shall be used for the coordination of a statewide reading campaign with community partners, parents, and teachers to establish the importance of reading in homes, schools, and communities.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 22. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. ENHANCED STUDENT ACHIEVEMENT FUNDING NAME CHANGE. Any appropriation titled "ENHANCED STUDENT ACHIEVEMENT FUNDING" or abbreviated as "ESA" as named by SB605 of 2019 may also be known as "NATIONAL SCHOOL LUNCH" funding or abbreviated as "NSL" and shall be used for the same purposes as set out in law.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 23. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. ARKANSAS GOVERNOR'S SCHOOL CURRICULUM. Prior to the beginning of the Arkansas Governor's School Program each year, the Arkansas Department of Education shall review and approve the proposed curriculum for the program year and shall maintain oversight of its implementation for consistency and accuracy.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 24. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. HIGH QUALITY INSTRUCTIONAL MATERIALS. Of the amount appropriated from the Division of Elementary and Secondary Education - Public School Fund for R.I.S.E. Arkansas, up to nine million five hundred thousand dollars ($9,500,000) may be used for the purchase and distribution of high quality instructional materials in accordance with Arkansas Code § 6-17-429(f).

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 25. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. DIVISION OF ELEMENTARY AND SECONDARY EDUCATION PUBLIC SCHOOL FUND AND EDUCATIONAL ADEQUACY FUND DISTRIBUTION AND FUND BALANCE REPORT. (a) The Department of Education shall submit quarterly a "Division of Elementary and Secondary Education Public School Fund Distribution and Balance" report to the Arkansas Legislative Council PEER Subcommittee or, if meeting in a Legislative Session, the Joint Budget Committee PEER/Review Subcommittee no later than ten days prior to the Subcommittee's scheduled meeting date.

(1) The report shall summarize the current total fund balance and the past five Fiscal Year ending total fund balances of the Division of Elementary and Secondary Education - Public School Fund.

(2) The report shall contain, cumulatively over the course of the fiscal year, by quarter a summary of the itemized totals distributed from each subfund of the Division of Elementary and Secondary Education - Public School Fund and each subfund shall be organized as restricted or unrestricted in spending purpose.

(b) The Department of Education shall submit monthly an "Educational Adequacy Fund Distribution and Balance" report to the Arkansas Legislative Council PEER Subcommittee or, if meeting in a Legislative Session, the Joint Budget Committee PEER/Review Subcommittee no later than ten days prior to the Subcommittee's scheduled meeting date.

(1) The report shall summarize the current total fund balance and the past five Fiscal Year ending total fund balances of the Educational Adequacy Fund.

(2) The report shall contain the following:

(A) Monthly beginning fund balance;

(B) Monthly Distribution report with total distributions to the Division of Elementary and Secondary Education Public School Fund Account and the Division of Elementary and Secondary Education Fund Account; and

(C) Amount of certified funding obligation remaining to the Division of Elementary and Secondary Education Public

School Fund Account and the Division of Elementary and Secondary Education Fund Account for the fiscal year.

(c) The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 26. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code § 6-17-1117(a), concerning the health insurance contribution rate for public school employees, is amended to read as follows:

(a)~~(1) Beginning January 1, 2023, a school district shall pay each month for each eligible employee electing to participate in the public school employees' health insurance program the health insurance contribution rate enacted by the General Assembly.~~

~~(2)~~ The House Committee on Education and the Senate Committee on Education through the biennial adequacy review process required by § 10-3-2102 shall provide a health contribution rate recommendation to the General Assembly.

SECTION 27. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code § 6-20-2305(b)(6)(B)(iv), concerning the continuation of teacher salary equalization funds, is repealed.

~~(iv) A school district shall continue to receive teacher salary equalization funds in the same amount as the preceding fiscal year in addition to the amount eligible for the current fiscal year.~~

SECTION 28. DO NOT CODIFY. LEGISLATIVE INTENT.

It is the intent of the General Assembly that Sections 28 - 33 of this act apply to:

(1) An isolated school district created by a detachment election during the 2026 annual school election under Arkansas Code § 6-13-1801;

(2) An existing district from which a newly created isolated school district was created under Arkansas Code § 6-13-1801; and

(3) Any future isolated school district created and governed by Arkansas Code § 6-13-1801 et seq.

SECTION 29. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code § 6-13-1801 is amended to read as follows:

6-13-1801. Isolated school district — Formation — Definition.

(a)(1) An isolated school may detach from ~~a resulting or receiving~~ an existing district if the isolated school submits a petition to the ~~resulting or receiving school~~ existing district board of directors that states the intent to reestablish the original isolated school and that contains the signatures of:

(A) No less than three hundred fifty (350) registered voters who reside within the boundaries of the isolated school; or

(B) No less than fifty-one percent (51%) of the registered voters who reside within the boundaries of the isolated school.

(2)(A) The ~~resulting or receiving school~~ existing district board of directors shall request the county clerk of the county in which the ~~resulting or receiving school~~ existing district is located to verify the signatures submitted in a petition under subdivision (a)(1) of this section within five (5) business days of receipt of a petition under subdivision (a)(1) of this section.

(B) Upon request, a county clerk of the county in which the ~~resulting or receiving school~~ existing district is located shall verify the signatures within five (5) days of receipt of a request from the ~~resulting or receiving school~~ existing district board of directors under subdivision (a)(2)(A) of this section.

(3) The ~~resulting or receiving school~~ existing district board of directors shall review a petition submitted under subdivision (a)(1) of this section and call ~~an~~ a detachment election under subdivision (a)(1) of this section to be held for the voters who reside within the school district boundaries of the isolated school before it consolidated with the ~~resulting or receiving~~ existing district on the issue of an isolated school detaching from ~~a resulting or receiving~~ an existing district at the next annual school election.

(b)(1) An isolated school district may be formed from an isolated school within ~~a resulting or receiving~~ an existing district that was annexed or consolidated with another school district under the Public Education Reorganization Act, § 6-13-1601 et seq., following the submission and approval of a petition under subsection (a) of this section.

(2) In order to qualify as an isolated school district, the isolated school within ~~a resulting or receiving~~ an existing district that was

annexed or consolidated with another school district under the Public Education Reorganization Act, § 6-13-1601 et seq., shall have been in operation for kindergarten through grade twelve (K-12) within two (2) years of the date on which the isolated school applies under this subchapter.

(c) The minimum school enrollment to establish a new public school district shall not apply when forming an isolated school district under this subchapter.

(d) As used in this subchapter, "existing district" means a public school district that was formed as a result of the administrative consolidation or annexation of an isolated school under § 6-20-602.

SECTION 30. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code § 6-13-1803(a), concerning an election to establish the millage rate of a newly formed isolated school district, is amended to read as follows:

(a)(1) An election within the boundaries of an isolated school district shall be held to establish the millage rate for the isolated school district as required under § 26-80-111.

(2) The millage rate of the existing district that was established before the detachment election conducted under this subchapter shall be the millage rate for the isolated school district formed under § 6-13-1801.

SECTION 31. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code § 6-13-1803(c), concerning the determination of the prior-year average daily membership of a newly formed isolated school district, is amended to read as follows:

(c) If an isolated school district begins operations at the beginning of the following school year after detaching from ~~a local public school~~ an existing district under which the proposed isolated school district currently operates, the prior-year average daily membership of the isolated school shall be subtracted from the prior-year average daily membership of the ~~local public school~~ existing district under which the isolated school previously operated.

SECTION 32. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code §§ 6-13-1804 and 6-13-1805 are amended to read as follows:

6-13-1804. Facilities and property.

(a)(1) ~~A local public school~~ An existing district under which a proposed isolated school district currently operates shall agree in writing to release ownership of the isolated school's facilities and any accompanying debt on the facilities to the isolated school district.

(2) The written release form required under subdivision (a)(1) of this section shall be signed by the president of the school district board of directors of the ~~local public school~~ existing district under which the proposed isolated school district currently operates and shall be included in the application submitted by the proposed isolated school district.

(b)(1) Ownership of a school bus acquired with isolated school funds in the previous two (2) school years shall be transferred to the ~~resulting~~ isolated school district formed under this subchapter.

(2) If a school bus was not acquired with isolated school funds in the previous two (2) school years, then the ownership of the number of school buses transferred to the isolated school district formed under this subchapter shall be equal to the lesser of:

(A) The number of buses dedicated primarily to delivering students to and from the isolated school in the previous two (2) years of operation of the existing district under which the isolated school previously operated; or

(B) The percentage of the total number of buses owned by the existing district that is equal to the percentage of students attending the isolated school in the prior year according to the first three-quarter average daily membership.

(c) Isolated school funds received by the ~~local public school~~ existing district under which the proposed isolated school district currently operates within four (4) months of the end of the ~~local public school~~ existing district's fiscal year on June 30 shall be transferred to the resulting isolated school district.

(d) Ownership of all personal property and fixtures, including without limitation furnishings, equipment, textbooks, computers, technology, phone systems, audio-video systems, athletic equipment, and machinery at an isolated school ~~currently operating within a local public~~ located in a resulting isolated school district that is the property of the existing district at the time of a detachment election held under this subchapter

shall be transferred to the resulting isolated school district.

(e)(1) An existing district shall transfer to the isolated school district that previously operated under the existing district a sum equal to ninety percent (90%) of the foundation funding awarded for each student who currently attends the isolated school based on the prior-year first three-quarter average daily membership of the public school that is proposed to operate as an isolated school district.

(2) The payment of foundation funds required under subdivision (e)(1) of this section shall be made under § 6-13-1806(e).

(f)(1) An isolated school district shall assume all the debt of the existing district if the debt is directly related to the real property transferred to the isolated school district under this section.

(2) Debt is directly related to the real property transferred to the isolated school district under this section if the debt is related to a capital project that is located on the isolated school district campus.

(3) In order to comply with this subsection, an isolated school district may:

(A) Refinance any debt assumed under subdivision (f)(1) of this section through the issuance of new bonds; or

(B) Enter into a contract to pay the existing district under which the isolated school district previously operated and that holds the debt the amount necessary to satisfy the debt repayment obligations.

(g)(1) An existing district shall hold all personal property and fixtures that will be transferred to a resulting isolated school district under this section in a trust until the isolated school district is able to take custody of the personal property and fixtures.

(2)(A) An isolated school district shall have a civil cause of action to enforce the distribution of ownership of personal property and fixtures under this section.

(B) A court of competent jurisdiction may provide any legal or equitable remedy necessary to give effect to the provisions of this subchapter.

(C) If a civil cause of action is initiated and a court of competent jurisdiction determines that an existing district or an administrator of an existing district has concealed, removed, wasted, divested, or withheld any personal property or fixture that belongs to an

isolated school district according to this section, then the court may:

(i) Assess punitive damages up to three (3) times the amount of the value of the personal property or fixture that was concealed, removed, wasted, divested, or withheld;

(ii) Award attorney's fees to the prevailing party; and

(iii) Take other appropriate actions to ensure compliance with the requirements of this subchapter.

(h)(1) Nothing in this subchapter shall prohibit an existing district and an isolated school district formed under this subchapter from agreeing to a division of personal property, fixtures, and other assets, including without limitation any funding, that is not otherwise prescribed in this subchapter.

(2) An agreement entered into under subdivision (h)(1) of this section shall be enforceable by a court of competent jurisdiction.

6-13-1805. Management.

~~An~~ Until a duly elected or appointed isolated school district board of directors selects a superintendent, an isolated school district shall be managed by:

(1) A director hired by the isolated school district;

(2) A director appointed by the Division of Elementary and Secondary Education to oversee operations of all isolated school districts in the state; or

(3) Any other director or superintendent the division appoints to the isolated school district.

SECTION 33. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code Title 6, Chapter 13, Subchapter 18, is amended to add additional sections to read as follows:

6-13-1806. Transition period following a detachment election — Certification of initial operations of isolated school district.

(a) Following the formation of an isolated school district, an existing district shall continue to operate in the same manner as it did immediately before the detachment election in which the isolated school district was created under § 6-13-1801 and shall continue to educate all

students enrolled in the existing district.

(b) Except as otherwise provided in this subchapter, the funds provided to an existing district under § 6-20-2305 shall continue to be provided to the existing district following the detachment election forming an isolated school district under § 6-13-1801 until:

(1) The isolated school district certifies with the existing district that it is ready to begin operations at the isolated school district; and

(2) The last day of school in the existing district occurs, if the certification under subdivision (b)(1) of this section is made after July 15 of each year.

(c) An isolated school district may certify that it is ready to begin operations when the isolated school district has:

(1) Selected and employed an isolated school district superintendent or other official authorized under this subchapter who has the authority to act on behalf of the isolated school district;

(2)(A) Employed officials who are authorized by the Division of Elementary and Secondary Education to receive state funding.

(B) An official shall not be authorized to receive state funding under subdivision (c)(2)(A) of this section until he or she completes any training required by the division that is related to state funding;

(3) Established accounts at a financial institution that is eligible to receive state funds;

(4) Been assigned a local education agency number by the division;

(5) Taken the steps necessary to begin to enroll students as determined by the division; and

(6) Established a school calendar that sets a date for the new isolated school district to begin the school year in the initial year of operation.

(d)(1) Certification under this section shall be made by submitting to the following entities a signed statement attested to under penalty of perjury that the requirements of this section have been satisfied:

(A) The Commissioner of Elementary and Secondary Education; and

(B) The superintendent of the existing district.

(2) If the certification under subdivision (d)(1) of this section is filed:

(A) On or before July 15 of each year, then the isolated school district shall begin operations in the fiscal year beginning on July 1 of each year; and

(B) After July 15 of each year, then the isolated school district shall begin operations in the following fiscal year.

(e) The funding allocated under § 6-13-1804(e) shall be transferred from an existing district to a newly created isolated school district in accordance with the following schedule until all allocated funds under § 6-13-1804(e) have been transferred:

(1) Twenty-five percent (25%) shall be transferred within ten (10) business days of notice that the isolated school district:

(A) Selects an isolated school district superintendent or other official authorized under this subchapter who has the authority to act on behalf of the isolated school district; and

(B) Establishes accounts at a financial institution that is eligible to receive state funds;

(2) An additional twenty-five percent (25%) shall be transferred on December 31 of the year in which a detachment election under this subchapter is held if the isolated school district has not yet begun operations; and

(3) The remaining amount of the isolated school district's funds awarded under this subchapter shall be transferred when the isolated school district certifies it is ready to begin operations as specified under this section.

6-13-1807. Time period to begin operations.

(a) An isolated school district shall have up to sixteen (16) months from the date of a detachment election held under this subchapter to certify under § 6-13-1806 that the isolated school district is ready to begin operations.

(b) If an isolated school district has not certified that it is ready to begin operations under § 6-13-1806 within the time required under subsection (a) of this section, then the isolated school district board of directors may:

(1) Seek to voluntarily consolidate with another public school district; or

(2) Dissolve the newly created isolated school district and return to the existing district under which it previously operated.

(c) If no action is taken under subsection (b) of this section within twenty-four (24) months from the date of a detachment election held under this subchapter, then the isolated school district shall be dissolved by operation of law, and all property held by and geographic area comprising the isolated school district shall return to the existing district.

6-13-1808. First year of operation — Enrollment of students.

(a) An isolated school district may begin enrolling students following its establishment under this subchapter.

(b) If an isolated school district has not yet begun to operate as indicated under § 6-13-1806, then the enrollment of a student in the isolated school district shall:

(1) Be prospective;

(2) Not be construed to remove the student from enrollment in the student's current public school district; and

(3) Not relieve the student's current school district from its obligation to educate the student.

(c) A student is a resident of an existing district under this subchapter for purposes of funding and all relevant applicable law if the student:

(1) Is eligible to attend public school in Arkansas; and

(2) Establishes residency inside the boundary of the isolated school district before the isolated school district begins operations under this subchapter.

(d) A student may continue to attend an existing district until the student graduates or establishes residency in another public school district if the student:

(1) Resides in the boundaries of the isolated school district; and

(2) Attends the existing district at the time the isolated school district begins operations under this subchapter.

6-13-1809. Terms of office for members of an existing district board of directors.

(a) The creation of an isolated school district under this subchapter does not create an immediate vacancy on the board of directors of an existing district when a member of the board of directors of the existing district resides in the newly created isolated school district.

(b) To ensure all students of an existing district are represented, a member of a board of directors of the existing district who resides in a newly created isolated school district shall continue to be qualified to hold his or her office until the isolated school district:

(1) Begins operations;

(2) Consolidates with another public school district; or

(3) Dissolves.

(c) A member of a board of directors of an existing district shall remain qualified to hold his or her seat if he or she establishes residency inside the boundary of an existing district and within the appropriate zone if he or she is elected by zone before an isolated school district begins operations or consolidates with another public school district.

SECTION *34*. COMPLIANCE WITH OTHER LAWS. Disbursement of funds authorized by this act shall be limited to the appropriation for such agency and funds made available by law for the support of such appropriations; and the restrictions of the State Procurement Law, the General Accounting and Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary Procedures and Restrictions Act, or their successors, and other fiscal control laws of this State, where applicable, and regulations promulgated by the Department of Finance and Administration, as authorized by law, shall be strictly complied with in disbursement of said funds.

SECTION *35*. LEGISLATIVE INTENT. It is the intent of the General Assembly that any funds disbursed under the authority of the appropriations contained in this act shall be in compliance with the stated reasons for which this act was adopted, as evidenced by the Agency Requests, Executive Recommendations and Legislative Recommendations contained in the budget manuals prepared by the Department of Finance and Administration, letters, or summarized oral testimony in the official minutes of the Arkansas Legislative

Council or Joint Budget Committee which relate to its passage and adoption.

SECTION 36. EMERGENCY CLAUSE.

(a) It is found and determined by the General Assembly, that the Constitution of the State of Arkansas prohibits the appropriation of funds for more than a one (1) year period; that the effectiveness of all Sections of this act, except Sections 28-33 of this act, on July 1, 2026, is essential to the operation of the agency for which the appropriations in this act are provided; and that in the event of an extension of the legislative session, the delay in the effective date of this act for all Sections, except Sections 28-33 of this act, beyond July 1, 2026, could work irreparable harm upon the proper administration and provision of essential governmental programs. Therefore, an emergency is hereby declared to exist, and all Sections, except Sections 28-33 of this act, being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 2026.

(b) It is found and determined by the General Assembly of the State of Arkansas that without further statutory clarity, isolated school districts that have recently detached from existing districts will be without administrative and financial guidance; that newly formed isolated school districts need enough time to establish contracts and administrative requirements in order to begin the upcoming school year; that the Department of Education needs statutory clarity on how funds should be distributed based on the formation of new school districts; and that this act is immediately necessary to provide newly formed isolated school districts with the statutory direction that is needed to proceed with standard operations following recent detachments from existing districts and to give the department guidance necessary to correctly disburse funds to newly formed school districts. Therefore, an emergency is declared to exist, and Sections 28 through 33 of this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is

overridden, the date the last house overrides the veto.

/s/Joint Budget Committee

APPROVED: 5/1/26

State of Arkansas *As Engrossed: S4/7/25 H4/14/25*
95th General Assembly **A Bill**
Regular Session, 2025 SENATE BILL 619

By: Senator Irvin
By: Representative Walker

For An Act To Be Entitled

AN ACT CONCERNING THE FORMATION OF AN ISOLATED SCHOOL DISTRICT; TO ESTABLISH THE MEMBERSHIP OF AN ISOLATED SCHOOL DISTRICT BOARD OF DIRECTORS; TO CREATE A FUNDING MECHANISM FOR A NEWLY FORMED ISOLATED SCHOOL DISTRICT; TO DIRECT OWNERSHIP OF FACILITIES AND PROPERTY OF ISOLATED SCHOOLS; AND FOR OTHER PURPOSES.

Subtitle

CONCERNING THE FORMATION OF AN ISOLATED SCHOOL DISTRICT.

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

SECTION 1. Arkansas Code Title 6, Chapter 13, is amended to add an additional subchapter to read as follows:

Subchapter 18 — Isolated School Districts

6-13-1801. Isolated school district — Formation.

(a)(1) An isolated school may detach from a resulting or receiving district if the isolated school submits a petition to the resulting or receiving school district board of directors that states the intent to reestablish the original isolated school and that contains the signatures of:

(A) No less than three hundred fifty (350) registered voters who reside within the boundaries of the isolated school; or

(B) No less than fifty-one percent (51%) of the registered voters who reside within the boundaries of the isolated school.

(2)(A) The resulting or receiving school district board of

directors shall request the county clerk of the county in which the resulting or receiving school district is located to verify the signatures submitted in a petition under subdivision (a)(1) of this section within five (5) business days of receipt of a petition under subdivision (a)(1) of this section.

(B) Upon request, a county clerk of the county in which the resulting or receiving school district is located shall verify the signatures within five (5) days of receipt of a request from the resulting or receiving school district board of directors under subdivision (a)(2)(A) of this section.

(3) The resulting or receiving school district board of directors shall review a petition submitted under subdivision (a)(1) of this section and call an election to be held for the voters who reside within the school district boundaries of the isolated school before it consolidated with the resulting or receiving district on the issue of an isolated school detaching from a resulting or receiving district at the next annual school election.

(b)(1) An isolated school district may be formed from an isolated school within a resulting or receiving district that was annexed or consolidated with another school district under the Public Education Reorganization Act, § 6-13-1601 et seq., *following the submission and approval of a petition under subsection (a) of this section.*, following the submission and approval of a petition under subsection (a) of this section.

(2) In order to qualify as an isolated school district, the isolated school within a resulting or receiving district that was annexed or consolidated with another school district under the Public Education Reorganization Act, § 6-13-1601 et seq., shall have been in operation for kindergarten through grade twelve (K-12) within two (2) years of the date on which the isolated school applies under this subchapter.

(b) The minimum school enrollment to establish a new public school district shall not apply when forming an isolated school district under this subchapter.

6-13-1802. Isolated school district board of directors.

(a) An isolated school district shall be governed by a board of directors that consists of five (5) members who live within the boundaries of the isolated school district.

(b) The members of an isolated school district board of directors shall be elected by eligible voters residing within the boundaries of the isolated school district.

(c) Each member of an isolated school district board of directors shall initially draw lots for two-year or four-year terms in isolated school districts with four-year terms or two-year, four-year, or six-year terms in isolated school districts with six-year terms so that, as nearly as possible, an equal number of positions are filled in each subsequent election for an isolated school board no longer than:

(1) Two (2) isolated school board elections for those with four-year terms; or

(2) Three (3) isolated school board elections for those with six-year terms.

6-13-1803. Funding.

(a) An election within the boundaries of an isolated school district shall be held to establish the millage rate for the isolated school district as required under § 26-80-111.

(b) For purposes of funding calculations that utilize prior-year average daily membership, state funding aid for the first year of operation of an isolated school district shall be based on the:

(1) Prior-year first three-quarters average daily membership of the public school now proposed to operate as an isolated school district; or

(2) The average daily membership from two (2) years prior if the public school proposed to operate as an isolated school district ceases operations two (2) years before the isolated school district is formed.

(c) If an isolated school district begins operations at the beginning of the following school year after *detaching* from a local public school under which the proposed isolated school district currently operates, the prior-year average daily membership of the isolated school shall be subtracted from the prior-year average daily membership of the public school district under which the isolated school previously operated.

(d) An isolated school district shall be eligible for funding awarded under § 6-20-601 et seq. and any additional funds based on a school district's isolated status.

(e) An isolated school district shall be eligible for any current state funding available for public school districts and open-enrollment

public charter schools.

6-13-1804. Facilities and property.

(a)(1) A local public school district under which a proposed isolated school district currently operates shall agree to release ownership of the isolated *school's* facilities and any accompanying debt on the facilities to the isolated school district.

(2) The written release form required under subdivision (a)(1) of this section shall be signed by the president of the school district board of directors of the local public school district under which the proposed isolated school district currently operates and shall be included in the application submitted by the proposed isolated school district.

(b) Ownership of a school bus acquired with isolated school funds in the previous two (2) school years shall be transferred to the resulting isolated school district.

(c) Isolated school funds received by the local public school district under which the proposed isolated school district currently operates within four (4) months of the end of the public school district's fiscal year on June 30 shall be transferred to the resulting isolated school district.

(d) Ownership of all furnishings, equipment, textbooks, computers, technology, phone systems, audio-video systems, athletic equipment, and machinery at an isolated school currently operating within a local school district shall be transferred to the resulting isolated school district.

6-13-1805. Management.

An isolated school district shall be managed by:

(1) A director hired by the isolated school district;

(2) A director appointed by the Division of Elementary and Secondary Education to oversee operations of all isolated school districts in the state; or

(3) Any other director or superintendent the division appoints to the isolated school district.

/s/Irvin

APPROVED: 4/21/25