

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995

A Bill

SENATE BILL 220

4 By: Senators Mahony, Hopkins, Edwards, Malone, and Canada

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For An Act To Be Entitled

8 "AN ACT TO ENSURE THAT A FISCAL OR ACADEMIC CRISIS WILL
9 NOT INTERRUPT EDUCATIONAL SERVICES PROVIDED TO STUDENTS BY
10 AUTHORIZING THE STATE DEPARTMENT OF EDUCATION TO ASSIST
11 ARKANSAS SCHOOL DISTRICTS IN FISCAL OR ACADEMIC DISTRESS;
12 AND FOR OTHER PURPOSES."

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Subtitle

14
15 "TO ENSURE THAT A FISCAL OR ACADEMIC
16 CRISIS WILL NOT INTERRUPT EDUCATIONAL
17 SERVICES PROVIDED TO STUDENTS."

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

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21 SECTION 1. The purpose of this act shall be to improve the capacity of
22 local school districts whose students are not achieving at academically
23 desired levels and local school districts in fiscal distress through targeted
24 assistance coordinated by the Department of Education.

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26 SECTION 2. The State Department of Education is hereby authorized to
27 develop indicators of fiscal distress and academic distress in school
28 districts and to promulgate the necessary rules and regulations so that the
29 Director of the General Education Division of the State Department of
30 Education shall provide technical assistance to school districts determined
31 by the director to be in fiscal or academic distress and shall ensure, to the
32 extent possible, that a fiscal crisis or an academic crisis will not
33 interrupt the educational services provided to the students of a school
34 district.

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1 SECTION 3. (a) For purposes of this act, a school district in
2 academic distress shall mean any school district whose students do not score
3 at levels established by the Department of Education on the Arkansas Writing
4 Assessment, the Stanford 8 Achievement Test, the exit examination
5 administered by the State Department of Education, or any other test approved
6 by the department.

7 (b) For purposes of this act, a school district in fiscal distress
8 shall mean any school district that has a steadily declining balance, as
9 defined by the Department of Education.

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11 SECTION 4. *By March 1, 1996, the State Board of Education shall*
12 *promulgate rules and regulations to establish and implement a program for*
13 *identifying, evaluating, assisting, and addressing school districts in fiscal*
14 *or academic distress. The State Board of Education shall further promulgate*
15 *rules and regulations by which a school district shall be classified as a*
16 *Phase I, II, or III district and by which a local school board may appeal to*
17 *the State Board any ruling by the Department of Education that is relative to*
18 *classification under this act. An appeal shall be made within thirty (30)*
19 *days of the ruling, and the State Board shall act on the appeal within sixty*
20 *(60) days.*

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22 SECTION 5. (a) Prior to the beginning of the 1996-97 school year, and
23 each school year thereafter, the Department of Education shall identify all
24 school districts that are in academic or fiscal distress and shall further
25 document any school districts that meet the criteria for academic or fiscal
26 distress but which, after investigation, the department determines are not in
27 academic or fiscal distress.

28 (b) Those school districts identified by the department as being in
29 academic or fiscal distress shall be classified as Phase I school districts.

30 (c) A district classified as a Phase I school district shall develop
31 and file with the Department of Education a school improvement plan to
32 address any areas in which the school district is experiencing academic or
33 fiscal distress as identified by the department.

34 (d) The department shall provide technical assistance to any district
35 classified as a Phase I district.

1 (e) If a district does not file a school improvement plan with the
2 department, the district shall be immediately classified as a Phase II school
3 district.

4 (f) The Department of Education shall monitor the progress of school
5 districts in Phase I. If the department determines that a district is not
6 implementing its school improvement plan according to department regulations,
7 the district shall be immediately classified as a Phase II school district.

8 (g) Districts that are implementing school improvement plans shall
9 continue to be classified as a Phase I school district for the remainder of
10 the school year.

11 (h) The department shall not take over the operation of a Phase I or
12 Phase II school district.

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14 SECTION 6. (a) During the 1997-98 school year, and each school year
15 thereafter, the department shall determine which school districts shall be
16 classified as Phase I districts or Phase II districts. A school district may
17 be classified a Phase I district for more than one (1) year.

18 (b) During the 1997-98 school year, and each school year thereafter,
19 only those districts classified as Phase II districts by the Director of the
20 General Education Division of the Department of Education, shall be required
21 to receive on-site technical assistance by a team of educators assigned by
22 the department to work directly with the districts.

23 (c) During the first six (6) months of the school year in which a
24 district is classified as a Phase II district, the department team shall
25 evaluate and make recommendations to the district superintendent regarding
26 the *staffing of the district and concerning* fiscal or academic policies or
27 practices of the district, if necessary to address the fiscal or academic
28 distress of the district as defined by the department.

29 (d) The recommendations of the department shall be binding on the
30 district, the superintendent, and the school board; provided, however, that
31 it shall be the duty of the district to follow all Arkansas laws.

32 (e) A district classified as a Phase II school district that fails to
33 follow recommendations of the department shall be immediately classified as a
34 Phase III school district.

35 (f) At the conclusion of the 1997-98 school year, and each year

1 thereafter, the department shall report the progress of all districts
2 classified as Phase II school districts to the State Board of Education.

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4 SECTION 7. (a) Those school districts that do not meet the
5 department's criteria for repeating procedures set forth for Phase II and
6 those districts that did not follow the recommendations of the department for
7 a Phase II school district shall be classified as a Phase III school
8 district.

9 (b) During the 1998-99 school year, and each year thereafter until the
10 school district is no longer classified as a Phase III district, the
11 Department of Education shall have the following authority in dealing with
12 any district classified as a Phase III school district:

13 (1) Authority to require the superintendent to relinquish all
14 authority with respect to the district, to appoint an individual to operate
15 the district under the supervision of the Director of the General Education
16 Division of the Department of Education, and to compensate non-Department of
17 Education employees for operating the district using the salary formerly
18 given to the district superintendent.

19 (2) To have all powers and duties of the local school board
20 under § 6-13-620.

21 (3) To determine that it is in the best interests of the
22 students in the district to continue operation of the district or that
23 annexation to an adjacent district or districts is necessary.

24 (4) To call for the election of a new school board for the
25 district, in which case the district shall reimburse the county board of
26 education for election costs as otherwise required by law.

27 (5) To allow the district to operate without a local school
28 board under supervision of the local school district administration.

29 (6) To turn the administration of the district over to the
30 former board or a newly elected school board.

31 (7) To waive the application of Arkansas law, with the exception
32 of §§ 6-17-1501 and 6-17-1701, or Department of Education rules and
33 regulations.

34 (8) To compensate non-Department of Education employees for
35 assisting Phase III districts from set-aside funds authorized under

1 § 6-20-313.

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3 SECTION 8. (a) If it is in the best interests of students in a
4 district classified as a Phase III school district to be annexed to another
5 district or districts, as determined by the department, the department shall
6 hold a public hearing to discuss the annexation of the district.

7 (b) After the public hearing, the State Board of Education may annex
8 the district to another district or districts upon a majority vote of the
9 members of the board.

10 (c) If the State Board of Education annexes the district, the board
11 shall have exclusive authority to determine the boundary lines of the new
12 district or districts and to allocate the assets and liabilities of the
13 district.

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15 SECTION 9. Any district that appeals the decision of the State Board
16 of Education in regard to annexation shall file the appeal in Pulaski County
17 Circuit Court. Jurisdiction and venue shall not lie in any other court or
18 *the circuit court in the county where the administrative office of the*
19 *district is located.*

20 SECTION 10. Arkansas Code Annotated § 6-20-313 is hereby amended by
21 adding a subsection (7) to read as follows:

22 "(7) Funds shall also be set aside for use by the Department of
23 Education for intervention in schools identified as being in fiscal or
24 academic distress and to compensate non-Department of Education employees for
25 assisting districts classified as a Phase III school district."

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27 SECTION 11. All provisions of this act of a general and permanent
28 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
29 Code Revision Commission shall incorporate the same in the Code.

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31 SECTION 12. If any provision of this act or the application thereof to
32 any person or circumstance is held invalid, such invalidity shall not affect
33 other provisions or applications of the act which can be given effect without
34 the invalid provision or application, and to this end the provisions of this
35 act are declared to be severable.

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SECTION 13. All laws and parts of laws in conflict with this act are hereby repealed.

/s/Mahony et al