

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas *As Engrossed: H3/26/03 H4/7/03 H4/11/03 H4/16/03*

2 84th General Assembly

A Bill

3 Regular Session, 2003

HOUSE BILL 2528

4

5 By: Representatives Hardwick, Biggs, Anderson, Key, Parks, Bledsoe, Matayo, Kenney, House,
6 Hutchinson, Harris, Martin, Borhauer, L. Evans, Agee, Rosenbaum, R. Smith, Pace, Sullivan, Berry,
7 Schulte, Bright, Creekmore, Hathorn, Walters

8 By: Senators Gullett, J. Jeffress, G. Jeffress

9

10

11

For An Act To Be Entitled

12

AN ACT TO ESTABLISH A COMPREHENSIVE SYSTEM OF
13 TESTING FOR ARKANSAS STUDENTS; TO ESTABLISH A
14 PROGRAM OF SCHOOL AND SCHOOL DISTRICT
15 ACCOUNTABILITY FOR STUDENT PERFORMANCE AND
16 ESTABLISH A SYSTEM OF REWARDS AND SANCTIONS BASED
17 THEREON; TO GIVE STUDENTS ATTENDING
18 UNDERPERFORMING SCHOOL CERTAIN CHOICES, KNOWN AS
19 THE ARKANSAS PUBLIC SCHOOL CHOICE OPTION; TO
20 ESTABLISH A FINANCIAL MANAGEMENT PRACTICES SYSTEM
21 FOR ARKANSAS SCHOOL DISTRICTS; TO ESTABLISH
22 WITHIN THE DEPARTMENT OF EDUCATION AN INTEGRATED
23 INFORMATION SYSTEM FOR EDUCATIONAL MANAGEMENT; TO
24 ESTABLISH CERTAIN PRIVACY RIGHTS OF STUDENTS AND
25 THEIR PARENTS TO CERTAIN STUDENT RECORDS; FOR
26 OTHER PURPOSES; AND DECLARING AN EMERGENCY.

27

28

Subtitle

29

AN ACT TO BE KNOWN AS THE "ARKANSAS
30 STUDENT ASSESSMENT AND EDUCATIONAL
31 ACCOUNTABILITY ACT OF 2003".

32

33

34

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

35

36

SECTION 1. Arkansas Code § 6-15-403 is amended to read as follows:



1 6-15-403. Authority of State Board of Education.

2 The State Board of Education through the Department of Education ~~is~~
3 ~~hereby authorized to~~ shall:

4 (1) Develop a single Arkansas comprehensive testing, assessment, and
5 accountability program (ACTAAP) which utilizes the most current and effective
6 testing, evaluation, and assessment research information designed to achieve
7 the following purposes set forth in this subchapter:

8 (A) Set clear academic standards that are periodically reviewed
9 and revised;

10 (B) Establish professional development;

11 (C) Establish expected achievement levels;

12 (D) Report on student achievement;

13 (E) Provide evaluation data;

14 (F) Recognize excellence; ~~and~~

15 (G) Apply sanctions; and

16 (H) Comply with current federal and state law and Board of
17 Education rules and regulations;

18 ~~(2) Promulgate such rules and regulations as may be necessary to~~
19 ~~develop and implement the comprehensive testing, assessment and academic~~
20 ~~accountability program; and~~

21 ~~(3) Employ staff and enter into contracts as may be necessary to carry~~
22 ~~out the provisions of this subchapter. shall:~~

23 (2) Classify school services, designate the licensure subject areas,
24 establish competencies, including the use of technology to enhance student
25 learning, and licensure requirements for all school-based personnel, and
26 prescribe rules in accordance with which the professional licensure as
27 provided in rules and regulations shall be issued by the Department of
28 Education to applicants who meet the standards prescribed by rules and
29 regulations for their class of service;

30 (3) Identify critical teacher shortage areas;

31 (4) Enforce compliance with federal and state law and state board rule
32 by all school districts;

33 (5) Collect and maintain the management information databases for all
34 components of the public kindergarten through grade twelve (K-12) education
35 system;

36 (6) Promulgate such rules and regulations as may be necessary to

1 review and implement any changes to the Arkansas comprehensive testing,
2 assessment and academic accountability program (ACTAAP); and
3 (7) Employ staff and enter into contracts as may be necessary to carry
4 out the provisions of this subchapter.

5
6 SECTION 2. Arkansas Code § 6-15-404 is amended to read as follows:

7 6-15-404. Program implementation.

8 (a)(1) The Department of Education shall develop and implement testing
9 for public school students at the primary and middle-level grades, as well as
10 end-of-course testing, which is criterion-referenced and which measures
11 application of knowledge and skills in reading and writing literacy,
12 mathematics and, as funds are available, in science and social studies.

13 (2) The department shall test public school students with a
14 nationally norm-referenced test in grades three through ten (3-10) to be
15 ~~selected by the State Board of Education at the middle level and high school~~
16 ~~grades.~~

17 (3) The board shall establish expected levels of achievement on
18 the criterion-referenced examinations.

19 (4) The State of Arkansas shall participate in the
20 administration of the National Assessment of Educational Progress
21 examinations.

22 (b) Any student failing to achieve the established standard on the
23 criterion-referenced examinations shall be evaluated by school personnel, who
24 shall jointly develop an academic improvement plan to assist the student in
25 achieving the expected standard in subject areas where performance is
26 deficient.

27 (c)(1) Each school shall develop one (1) comprehensive, long-range
28 school improvement plan focused on student achievement.

29 (2)(A) Any school that fails to achieve expected levels of
30 student performance on criterion-referenced tests, norm-referenced tests, and
31 related indicators, as defined in this subchapter, shall participate in a
32 school improvement plan accepted by the department. This improvement plan
33 shall assist those students performing below grade level in achieving the
34 expected standard.

35 (B) This plan shall be part of each school's long-range
36 comprehensive school improvement plan and shall be reported to the public.

1 (C) Progress on improved achievement shall be included as
2 part of the school's and school district's annual report to the public.

3 (d) The department and the local school districts shall annually
4 compile and disseminate to the public results of administering all required
5 examinations. The results of the end-of-course testing shall become a part of
6 each student's transcript or permanent record and shall be recorded on these
7 documents in a manner prescribed by the state board.

8
9 SECTION 3. Arkansas Code § 6-15-414 is repealed.

10 ~~6-15-414. Testing additional grade levels.~~

11 ~~At the direction of the State Board of Education, the Department of~~
12 ~~Education shall cause assessment instruments to be administered at additional~~
13 ~~grade levels as may be necessary to measure educational achievement in the~~
14 ~~public schools of this state.~~

15
16 SECTION 4. Arkansas Code § 6-15-421 is amended to read as follows:

17 6-15-421. Awards and sanctions.

18 (a)~~(1)~~ The Department of Education is authorized to develop and
19 implement, ~~contingent upon appropriation and funding being provided by the~~
20 ~~General Assembly~~, a program of rewards to recognize individual schools that
21 demonstrate exceptional performance in levels of student achievement and to
22 recognize schools that demonstrate significant improvement in student
23 achievement.

24 (b)(1) Each school that does not attain the expected levels of student
25 performance on state-mandated indicators and individual school improvement
26 indicators shall be designated by one (1) of several levels of sanction.

27 (2) Each level of sanction shall determine specific
28 interventions to be provided to the ~~school~~ students of public schools or
29 public school districts by the department. The levels of sanction developed
30 under this subchapter shall be incorporated into the existing ~~academic~~
31 ~~distress policy~~ comprehensive school improvement plan.

32 (c) The State Board of Education shall develop a clear, concise system
33 of reporting the academic performance of each public school on the state-
34 mandated, developmentally appropriate assessments for grades one (1) and two
35 (2), norm-referenced tests, and criterion-referenced tests, which conform
36 with current state and federal law and end-of-course exams.

1 ~~(e)(d)~~ The State Board of Education through the department is hereby
2 authorized to promulgate such rules and regulations as may be necessary to
3 carry out the provisions of this subchapter.

4
5 SECTION 5. Arkansas Code § 6-15-422 is repealed.

6 ~~6-15-422. Comprehensive Testing, Assessment, and Accountability Program~~
7 ~~progress report.~~

8 ~~The Department of Education shall report to the members of the House~~
9 ~~and Senate Interim Committees on Education on the progress of the Arkansas~~
10 ~~Comprehensive Testing, Assessment, and Accountability Program. The report~~
11 ~~shall be due on September 1, 1999, and annually thereafter.~~

12
13 SECTION 6. Arkansas Code § 6-16-203 is amended to read as follows:

14 6-16-203. Readiness testing.

15 ~~(a) The Department of Education shall develop guidelines for school~~
16 ~~districts to perform readiness testing for children who are entering~~
17 ~~kindergarten.~~

18 ~~(b)(1) After the department develops guidelines under subsection (a)~~
19 ~~of this section, each school district in the state shall conduct individual~~
20 ~~readiness testing on each child entering kindergarten and provide the results~~
21 ~~of the testing to the child's parents in a timely manner prior to the child's~~
22 ~~first day of school.~~

23 ~~(2) The results of the testing that are provided to parents~~
24 ~~shall indicate in clear, understandable terminology the child's readiness for~~
25 ~~entering kindergarten.~~

26 (a) The Department of Education, with approval of the State Board of
27 Education, shall develop and implement uniform school readiness screening and
28 shall require that all school districts administer uniform school readiness
29 screening to each kindergarten student in the district school system upon the
30 student's entry into kindergarten.

31 (b)(1) The State Board of Education shall develop and the Department
32 of Education shall implement uniform school readiness screening to assess a
33 child's school readiness as part of a comprehensive evaluation design.
34 Beginning with the 2004-2005 school year, the Department of Education shall
35 require that all school districts administer the uniform school readiness
36 screening to each kindergarten student in the district's school system upon

1 the student's entry into kindergarten. Children who enter public school for
 2 the first time in first grade must be administered the uniform school
 3 readiness screening developed for use in first grade. The Department of
 4 Education shall incorporate school readiness data into the kindergarten
 5 through grade twelve (K-12) data warehouse for longitudinal tracking.

6 (2) "Uniform school readiness screening" means uniform,
 7 objective evaluation procedures specifically formulated for children entering
 8 public school for the first time which are geared to either kindergarten or
 9 first grade, as developmentally appropriate, and developed by the Department
 10 of Education, with the approval of the State Board of Education, which shall
 11 provide objective data regarding expectations for school readiness.

12
 13 SECTION 7. Arkansas Code §§ 6-15-402 is amended as follows:

14 6-15-402. Purpose.

15 (a)(1) The purpose of this subchapter is to provide the statutory
 16 framework necessary to ensure that all students in the public schools of this
 17 state have an equal opportunity to demonstrate grade-level academic
 18 proficiency through the application of knowledge and skills in the core
 19 academic subjects consistent with state curriculum frameworks, performance
 20 standards, and assessments. The State of Arkansas recognizes and declares
 21 that students who are not performing at grade-level standards of academic
 22 proficiency are especially harmed by social promotion because they are not
 23 equipped with the necessary academic skills to be successful and productive
 24 members of society. The ~~State Department of Education~~ is committed to having
 25 all students ~~performing~~ performing at their age appropriate grade level and
 26 beyond. For this reason, the Arkansas Comprehensive Testing, Assessment, and
 27 Accountability Program will emphasize point-in-time intervention and
 28 remediation upon the discovery that any student is not performing at grade
 29 level.

30 ~~(2) This subchapter is constructed around a system that includes~~
 31 ~~statewide indicators, individual school improvement indicators, and a locally~~
 32 ~~generated school accountability narrative. The total program shall be applied~~
 33 ~~to each school in the state public school system.~~

34 (2) It shall also be the purpose of this subchapter to provide
 35 information needed to improve the public schools by measuring annual learning
 36 gains of all students through longitudinal tracking, to inform parents of the

1 educational progress of their public school children, and to inform the
2 public of the performance of schools. The program must be designed to:

3 (A) Assess the annual learning gains of each student
4 toward achieving the Academic Content Standards appropriate for the student's
5 grade level;

6 (B) Provide data for building effective staff development
7 programs and school accountability and recognition;

8 (C) Identify the educational strengths and weaknesses of
9 students and the to help the teacher tailor instruction to the needs of the
10 individual student;

11 (D) Assess how well academic goals and performance
12 standards are met at the classroom, school, school district, and state
13 levels;

14 (E) Provide information to aid in the evaluation and
15 development of educational programs and policies;

16 (F) Provide information on the performance of Arkansas
17 students compared with other students from across the United States; and

18 (G) Identify best practices and schools that are in need
19 of improving their practices.

20 (3) This subchapter is designed to be a multiyear commitment to
21 assess the academic progress and performance of Arkansas' public school
22 students, classrooms, schools, and school districts.

23 (b) The purposes of ~~the assessment and accountability program ACTAAP~~
24 developed pursuant to the provisions of this subchapter shall be to:

25 (1) Improve student learning and classroom instruction;

26 (2) Provide public accountability by ~~exemplifying~~ mandating
27 expected achievement levels and reporting on school and school district
28 performance; and

29 (3) Provide evaluation data of school and school district
30 performance in order to assist policymakers at all levels in decision
31 making.

32 (c)(1) It is the General Assembly' intent that Arkansas participate in
33 the measurement of national educational goals.

34 (2) The State Board of Education shall direct Arkansas school
35 districts to participate in the administration of the National Assessment of
36 Educational Progress, or a similar national assessment program, both for the

1 national sample and for any state-by-state comparison programs which may be
2 initiated.

3 (3) The Department of Education shall enforce and monitor school
4 districts' participation in the National Assessment of Educational Progress
5 program.

6 (4) The assessments must be conducted using the data collection
7 procedures, the student surveys, the educator surveys, and other instruments
8 included in the National Assessment of Educational Progress or similar
9 program being administered in Arkansas.

10 (5) The results of these assessments shall be included in the
11 annual report of the Department of Education specified in this subchapter.

12 (6) The administration of the National Assessment of Educational
13 Progress or similar program shall be in addition to and separate from the
14 administration of the Statewide Assessment Program.

15 (d) The priorities of the assessment and accountability program
16 developed pursuant to the provisions of this subchapter shall include:

17 (1) All students have an opportunity to demonstrate increased
18 learning and completion at all levels, graduate from high school, and enter
19 postsecondary education or the workforce without remediation;

20 (2) Students demonstrate that they meet the expected academic
21 standards consistently at all levels of their education;

22 (3) Academic standards for every level of the kindergarten
23 through grade twelve (K-12) education system are aligned, and education
24 financial resources are aligned with student performance expectations at each
25 level of the kindergarten through grade twelve (K-12) education system;

26 (4) The quality of educational leadership at all levels of
27 kindergarten through grade twelve (K-12) education is improved; and

28 (5) Parents, students, families, educational institutions, and
29 communities are collaborative partners in education, and each plays an
30 important role in the success of individual students. Therefore, the State
31 of Arkansas cannot be the guarantor of each individual student's success.
32 The goals of Arkansas's kindergarten through grade twelve (K-12) education
33 system are not guarantees that each individual student will succeed or that
34 each individual school will perform at the level indicated in the goals.

35
36 SECTION 8. Arkansas Code Title 6, Chapter 15, Subchapter 4 is amended

1 to add additional sections to read as follows:

2 6-15-424. Statewide assessment program.

3 (a) The Department of Education shall implement a statewide program of
4 educational assessment that provides information for the improvement of the
5 operation and management of the public schools.

6 (b) Pursuant to the statewide assessment program, the Department of
7 Education shall:

8 (1) Determine and designate the appropriate offices within the
9 Department of Education which shall report to the State Board of Education
10 and shall be responsible for determining the school performance grade
11 categories pursuant to The Quality Education Act of 1983, § 6-15-1701 et
12 seq.;

13 (2) Submit to the State Board of Education for adoption a list
14 that specifies student skills and competencies to which the goals for
15 education specified in the state plan apply, including, but not limited to,
16 reading, writing, science, and mathematics. The list of content knowledge,
17 skills, and competencies shall be known as the Academic Content Standards as
18 defined in § 6-15-419. The Department of Education shall select such skills
19 and competencies after receiving recommendations from educators, citizens,
20 and members of the business community. The Department of Education shall
21 submit to the State Board of Education revisions to the list of student
22 skills and competencies in order to maintain continuous progress toward
23 improvements in student proficiency;

24 (3) Develop and implement a uniform system of indicators to
25 describe the performance of public school students and the characteristics of
26 the public school districts and the public schools. These indicators shall
27 include, without limitation, the components of an adequate education as
28 defined by the Arkansas General Assembly;

29 (4) Implement a student achievement testing program, which
30 includes both norm-referenced testing for grades three (3) through ten (10)
31 and criterion-referenced testing for grades three (3) through eight (8) and
32 developmentally appropriate testing for grades one (1) and two (2), known as
33 the Arkansas Comprehensive Assessment Testing as part of the statewide
34 assessment program, to be administered annually in grades one (1) through ten
35 (10) to measure reading, writing, and mathematics. Science and civics and
36 government shall be measured on a schedule as determined by the State Board

1 of Education. In addition, end of course exams shall be administered for
2 Algebra I, geometry, literacy, civics and government and Biology I. Other
3 content areas may be included as directed by the State Board of Education.

4 (c) The testing program must be designed so that:

5 (1)(A) The tests measure student skills and competencies adopted
6 by the State Board of Education as specified in paragraph (b). The tests must
7 measure and report student achievement levels in reading, writing, and
8 mathematics including longitudinal tracking of the same students.

9 (B) The Department of Education shall provide for the
10 tests to be obtained or developed, as appropriate, through contracts and
11 project agreements.

12 (2) The testing program shall consist of norm-referenced and
13 criterion-referenced testing as determined by the State Board of Education.
14 Questions shall require the student to produce information or perform tasks
15 in such a way that the skills and competencies he or she uses can be measured
16 in a statistically reliable and valid manner.

17 (3) Each testing program, whether at the elementary, middle, or
18 high school level, shall include a test of writing in which students are
19 required to produce writings that are then scored by appropriate analytic
20 methods that ensure overall test validity and reliability, including inter-
21 rater reliability. Writing test results shall be scored and returned for
22 district and school use no later than July 1 of each year.

23 (4) A score shall be designated for each subject area tested
24 which will be the required level of proficiency, below which score a
25 student's performance is deemed inadequate.

26 (5) Beginning in the 2004-2005 school year, students in grades
27 one through eight (1-8) who do not demonstrate proficiency in the Arkansas
28 Comprehensive Assessment Testing in reading, writing and mathematics must
29 participate in an intense remediation program specific to identified
30 deficiencies. Students in grades nine through twelve (9-12) who do not
31 demonstrate proficiency on the state required end of course exams required
32 pursuant to subdivision (6) must participate in an intense remediation
33 program specific to identified deficiencies in order to receive credit for
34 those corresponding courses.

35 (6) The State Board of Education shall designate, based on valid
36 and reliable statistical models submitted by the office designated pursuant

1 to § 6-15-424(b)(1), the proficiency levels for each part of the Arkansas
2 Comprehensive Assessment Testing.

3 (7) Participation in the testing program is mandatory for all
4 students attending public school except as otherwise prescribed by the State
5 Board of Education. If a student does not participate in the Arkansas
6 Comprehensive Assessment Testing, the district must notify the student's
7 parent and provide the parent with information regarding the reasons for and
8 implications of such nonparticipation. The State Board of Education shall
9 adopt rules, based upon recommendations of the Department of Education, for
10 the provision of test accommodations and modifications of procedures as
11 necessary for students in exceptional education programs and for Limited
12 English proficient students. Accommodations that negate the validity of a
13 statewide assessment or interpretations or implementations which result in
14 less than ninety-five percent (95%) of all students attending public school
15 participating in the testing program are not allowable.

16 (8) The Department of Education shall implement student testing
17 programs for any grade level and subject area necessary to effectively
18 monitor educational achievement in the state.

19 (9) District school boards must ensure that educators in their
20 district provide instruction to prepare students to demonstrate proficiency
21 in the skills and competencies necessary for successful grade-to-grade
22 progression and high school graduation. The Department of Education shall
23 conduct studies as necessary to verify that the required skills and
24 competencies are part of the district instructional programs.

25 (d) Conduct ongoing research to develop improved statistically
26 reliable and valid methods of assessing student performance, including,
27 without limitation:

28 (1) the use of technology to administer, score, or report the
29 results of tests, (ii) the use of electronic transfer of data, and (iii) the
30 development of work-product and the process assessments, if appropriate.

31 (e) Conduct ongoing research and analysis of individual student,
32 school, district, and state achievement data, including, without limitation,
33 monitoring trends in individual student, school, district, and state
34 achievement, identifying school programs that are successful, and analyzing
35 correlates of school achievement.

36 (f) Provide technical assistance to school districts in the

1 implementation of state and district testing programs and the use of the data
2 produced pursuant to such programs, including longitudinal tracking data.

3
4 6-15-425. School improvement.

5 (a) The State Board of Education shall develop a single comprehensive
6 testing, assessment, and accountability program which shall identify and
7 address all public schools or public school districts in school improvement,
8 or academic distress and shall be incorporated in the Arkansas Comprehensive
9 Testing, Assessment and Accountability Program rules and regulations which
10 shall comply with the Elementary and Secondary Education Act as reauthorized
11 by The No Child Left Behind Act of 2001, 20 U.S.C. § 6301, et seq. (2002).

12 (b) The school board president and the superintendent of a public
13 school or school district identified by the Department of Education as being
14 classified as in school improvement, shall be notified of such classification
15 in writing by the Department, via certified mail return receipt requested,
16 and the school district shall have a right of appeal pursuant to the Arkansas
17 Comprehensive Testing, Assessment and Accountability Program rules and
18 regulations which shall comply with The No Child Left Behind Act of 2001, 20
19 U.S.C. § 6301 et seq. (2002).

20 (c) The Arkansas Comprehensive Testing, Assessment and Accountability
21 Program shall require that any public school or school district in school
22 improvement that fails to make adequate yearly progress as required in the
23 Arkansas Comprehensive Testing, Assessment and Accountability Program may,
24 after being afforded all due process rights and in a timely manner required
25 under The No Child Left Behind Act of 2001, be advanced by the State Board of
26 Education to the corrective action or restructuring phase of the Arkansas
27 Comprehensive Testing, Assessment and Accountability Program adopted in the
28 Arkansas Comprehensive Testing, Assessment and Accountability Program rules
29 and regulations.

30 (d) Any public school or school district classified in school
31 improvement shall comply with all requirements placed on a public school or
32 school district under the Arkansas Comprehensive Testing, Assessment and
33 Accountability Program rules and regulations as required by The No Child Left
34 Behind Act of 2001, 20 U.S.C. § 6301, et seq. (2002).

35 (e) Any public school or school district classified as in school
36 improvement shall develop and file with the Department of Education a

1 comprehensive school improvement plan which shall be reviewed by the
2 department and shall be designed to ensure that all students have an
3 opportunity to demonstrate proficiency on all portions of the state mandated
4 criterion-referenced tests. The comprehensive school improvement plan shall
5 include strategies to address the achievement gap existing for any
6 identifiable group or subgroup as identified in the Arkansas Comprehensive
7 Testing, Assessment and Accountability Program and the gap of that subgroup
8 to the academic standard.

9 (f) Professional development activities of a public school or public
10 school district in school improvement shall be related to the comprehensive
11 school improvement plan and designed to increase student learning and
12 achievement.

13 (g) Each district school board shall annually provide a written
14 evaluation of student performance and achievement within each school of the
15 district. This evaluation and suggested measures to improve performance
16 shall be presented in a public hearing in the same locality as the school
17 district and then submitted with comments made at the public hearing to the
18 Arkansas Department of Education.

19
20 6-15-426. School testing programs.

21 Student performance data shall be analyzed and reported to parents, the
22 community, and the state. Student performance data shall be one of the
23 components used in developing objectives of the school improvement plan,
24 evaluation of instructional personnel, evaluation of administrative
25 personnel, assignment of staff, allocation of resources, acquisition of
26 instructional materials and technology, performance-based budgeting, and
27 promotion and assignment of students into educational programs.

28
29 6-15-427. Required analyses.

30 The Department of Education shall provide, at a minimum, for the
31 following analyses of data produced by the student achievement testing
32 program:

33 (1) The statistical system for the annual assessments shall use the
34 Arkansas Comprehensive Assessment Testing and other valid and reliable
35 measures of student learning, to determine classroom, school, and school
36 district statistical distributions, which shall be determined using available

1 data from the Arkansas Comprehensive Assessment Testing, and other data
2 collection as deemed appropriate by the State Board of Education, to measure
3 the differences in student previous years achievement compared to the current
4 year achievement for the purposes of accountability and recognition;

5 (2)(A) The statistical system shall provide the best estimates of
6 classroom, school, and school district effects on student progress based on
7 established longitudinal calculations.

8 (B) The approach used by the Department of Education shall be
9 approved by the State Board of Education before implementation; and

10 (3)(A) The annual testing program shall be administered to provide for
11 valid statewide and national comparisons of learning gains to be made for
12 purposes of accountability, recognition, and reporting.

13 (B) The Department of Education shall establish a schedule for
14 the administration of the statewide assessments.

15 (C) In establishing such schedule, the Department of Education
16 is charged with the duty to accomplish the latest possible spring
17 administration of the statewide assessments and the earliest possible
18 provision, but no later than July 1, of the results to the school districts.

19 (D) District school boards shall not establish school calendars
20 that jeopardize or limit the valid testing and comparison of student learning
21 gains.

22
23 6-15-428. Local assessments.

24 School districts may elect to measure the learning gains of students in
25 subjects and at grade levels in addition to those required for the Arkansas
26 Comprehensive Assessment Testing Program. Measurement of the learning gains
27 of students in all subjects and grade levels other than subjects and grade
28 levels required for the Arkansas Comprehensive Assessment Testing Program is
29 the responsibility of the school districts.

30
31 6-15-429. Rules.

32 The State Board of Education shall adopt any rules necessary to
33 implement Arkansas Comprehensive, Testing, Assessment and Accountability
34 Program under § 6-15-401 et seq. pursuant to the Arkansas Administrative
35 Procedures Act, codified at § 25-15-201 et seq.

36

1 6-15-430. Unsafe school choice program.

2 (a) Any student that becomes the victim of a violent criminal offense
3 while in or on the grounds of an Arkansas public elementary, secondary, or
4 public charter school, or who is attending a persistently dangerous public
5 school shall be allowed to attend a safe public school within the local
6 educational agency pursuant to rules and regulations established by the State
7 Board of Education and the requirements of The No Child Left Behind Act of
8 2001, 20 U.S.C. § 7912 (2002).

9 (b) The State Board of Education shall promulgate rules and
10 regulations, as necessary, to administer the Unsafe School Choice Program.

11
12 6-15-431. Test security.

13 (a) It is unlawful for anyone knowingly and willfully to violate test
14 security rules adopted by the State Board of Education for mandatory tests
15 administered by or through the State Board of Education or the Department of
16 Education to students, educators, or applicants for certification or
17 administered by school districts pursuant to § 6-15-424, or with respect to
18 any such test, knowingly and willfully to:

19 (1) Give examinees access to test questions prior to testing;

20 (2) Copy, reproduce, or use in any manner inconsistent with test
21 security rules all or any portion of any secure test booklet;

22 (3) Coach examinees during testing or alter or interfere with
23 examinees' responses in any way;

24 (4) Make answer keys available to examinees;

25 (5) Fail to follow security rules for distribution and return of
26 secure test as directed, or fail to account for all secure test materials
27 before, during, and after testing;

28 (6) Fail to follow test administration directions specified in
29 the test administration manuals;

30 (7) Participate in, direct, aid, counsel, assist in, or
31 encourage any of the acts prohibited in this section; or

32 (8) Violate other rules and regulations set forth by the state
33 board.

34 (b) Any person who violates this section commits a Class A misdemeanor
35 of the first degree, punishable as provided in § 5-4-201.

36 (c) A district school superintendent and the district school board

1 shall cooperate with the Department of Education in any investigation
2 concerning the administration of a test administered pursuant to state
3 statute or rule.

4
5 SECTION 9. Arkansas Code Title 6, Chapter 15, is amended to add an
6 additional subchapter to read as follows:

7 6-15-1601. Public school student progression; remedial instruction;
8 reporting requirements – Intent.

9 It is the intent of the General Assembly that:

10 (1) Each student's progression from one grade to another be
11 determined, in part, upon proficiency in reading, writing, and mathematics;

12 (2) That district school board policies facilitate such proficiency;
13 and

14 (3) That each student and his or her parent be informed of that
15 student's academic progress.

16
17 6-15-1602. Public school student progression; remedial instruction;
18 reporting requirements – Comprehensive Program.

19 The State Board of Education shall establish a comprehensive program
20 for student progression which must include:

21 (1) Standards for evaluating each student's performance, including the
22 student's mastery level with respect to the Academic Content Standards;

23 (2) Specific levels of performance in reading, writing, and
24 mathematics for each grade level and specific proficiency levels of
25 performance on statewide assessments including end-of-course exams, below
26 which a student must be remediated within an intensive program that is
27 different from the previous year's program and that takes into account the
28 student's learning style; and

29 (3) Appropriate alternative education program as developed by the
30 local school board in compliance with state and federal law and approved by
31 the Department of Education for a student who has been retained two (2) or
32 more years.

33
34 6-15-1603. Public school student progression; remedial instruction;
35 reporting requirements – Allocation of resources.

36 District school boards shall focus remedial and supplemental

1 instruction resources to students in the following priority:

2 (1) Students who are deficient in reading and mathematics during the
3 primary grades; and

4 (2) Students who fail to meet performance levels required for
5 promotion consistent with the state's plan for student progression required
6 in § 6-15-1602(b).

7
8 6-15-1604. Public school student progression; remedial instruction;
9 reporting requirements – Assessment and remediation.

10 (a)(1) Each student must participate in the statewide program of
11 educational assessment required by § 6-15-424.

12 (2) For each student who does not meet specific levels of
13 performance as determined by the State Board of Education in reading,
14 writing, and mathematics for each grade level, or who does not meet specific
15 proficiency levels of performance as determined by the State Board of
16 Education on statewide assessments, including end-of-course exams, the school
17 district must administer additional diagnostic assessments to determine the
18 nature of the student's difficulty and areas of academic need.

19 (b) The school in which the student who did not meet the specific
20 levels of performance or specific proficiency level is enrolled must develop
21 and implement, after notification pursuant to § 6-15-1605(b) and in
22 consultation with the student's parent, an academic improvement plan designed
23 to assist the student in meeting state expectations for proficiency.

24 (1) After the completion of the plan and prior to August 1 of
25 each year, each student identified as not meeting proficiency levels in the
26 previous spring test participate in his or her activities outlined in his or
27 her academic improvement plan. Beginning with the 2005-2006 school year,
28 students in grades one (1) through six (6) identified for an academic
29 improvement plan who do not participate in the program shall be retained.
30 Retention for failure to participate in the academic improvement plan shall
31 expand by at least one (1) grade level for each subsequent academic year
32 after implementation.

33 (2) Beginning with the 2003-2004 school year, if the student
34 has been identified as having a deficiency in literacy or mathematics, the
35 academic improvement plan shall identify the student's specific areas of
36 deficiency in these subjects; the desired levels of performance in these

1 areas; and the instructional and support services to be provided to meet the
2 desired levels of performance.

3 (3) Schools shall also provide for the frequent monitoring of
4 the student's progress in meeting the desired levels of performance.
5 Remedial instruction provided during high school may not be in lieu of
6 English, mathematics, science, or history credits required for graduation.

7 (c) Each student who does not meet the minimum performance
8 expectations defined by the State Board of Education for the statewide
9 assessment tests in reading, writing, and mathematics must continue to be
10 provided with remedial or supplemental instruction until the expectations are
11 met or the student is not subject to compulsory school attendance.

12
13 6-15-1605. Public school student progression; remedial instruction;
14 reporting requirements – Reading deficiency and parental notification.

15 (a) It is the ultimate goal of the General Assembly that every student
16 read at or above his or her grade level. Any student who exhibits a
17 substantial deficiency in reading, based upon statewide assessments conducted
18 in kindergarten, grade one (1) or grade two (2), or through teacher
19 observations, must be given intensive reading instruction utilizing a reading
20 program approved by the State Board of Education immediately following the
21 identification of the reading deficiency. The student's reading proficiency
22 must be reassessed by utilizing assessments within the State Board of
23 Education approved reading program. The student must continue to be provided
24 with intensive reading instruction until the reading deficiency is remedied.

25 (b) Beginning with the 2005-2006 school year, the parent of any
26 student who exhibits a substantial deficiency in reading, as described in
27 subsection (a) of this section, must be notified in writing of the following:

28 (1) That his or her child has been identified as having a
29 substantial deficiency in reading;

30 (2) A description of the current services that are provided to
31 the child; and

32 (3) A description of the proposed supplemental instructional
33 services and supports that will be provided to the child that are designed to
34 remediate the identified area of reading deficiency.

35
36 6-15-1606. Public school student progression; remedial instruction;

1 reporting requirements – Elimination of social promotion.

2 No student may be assigned to a grade level based solely on age or
3 other factors that constitute social promotion.

4
5 6-15-1607. Public school student progression; remedial instruction;
6 reporting requirements – Annual report.

7 (a) In addition to the requirements in § 6-15-1605(b), each district
8 school board must annually report to the parent of each student the progress
9 of the student toward achieving state expectations for proficiency in
10 reading, writing, and mathematics. The district school board must report to
11 the parent the student's results on each statewide assessment test. The
12 evaluation of each student's progress must be based upon the student's
13 classroom work, observations, tests, state assessments, and other relevant
14 information. Progress reporting must be provided to the parent in writing in
15 a format adopted by the district school board which is consistent with § 6-
16 15-1701(b).

17 (b) Beginning with the 2004-2005 school year, each district school
18 board must annually publish in the local newspaper the school performance
19 report required by § 6-15-1402 and report in writing to the State Board of
20 Education by October 15 of each year, the following information on the prior
21 school year or the latest information available:

22 (1) The provisions of this section relating to public school
23 student progression and the State Board of Education's policies and
24 procedures on student retention and promotion;

25 (2) By grade, the number and percentage of all students in
26 grades one (1) through twelve (12) performing at proficiency levels on the
27 Arkansas Comprehensive Assessment Testing and on end of course exams;

28 (3) By grade, the number and percentage of all students retained
29 in grades one (1) through eight (8); and

30 (4) The graduation rate, grade inflation rate, drop-out rate.
31 for grades nine (9) through twelve (12) and college remediation rate.

32 (c) Nothing in this section shall be in conflict with the federal
33 Education Reporting Privacy Act.

34
35 6-15-1608. Public school student progression; remedial instruction;
36 reporting requirements – State Board of Education authority and

1 responsibilities.

2 (a) The State Board of Education may, as provided in §§ 6-15-1901
3 through 6-15-1902 to enforce this section.

4 (b) The State Board of Education shall adopt rules for the
5 administration of this subchapter.

6
7 6-15-1609. Public school student progression; remedial instruction;
8 reporting requirements – Technical Assistance.

9 The Department of Education shall provide technical assistance as
10 needed to aid district school boards in administering this section.

11
12 SECTION 10. Arkansas Code Title 6, Chapter 15, is amended to add an
13 additional subchapter to read as follows:

14 6-15-1701. School grading system; district performance grade –Annual
15 reports.

16 (a) The Department of Education shall prepare annual reports of the
17 results of the statewide assessment program which describe student
18 achievement in the state, each district, and each school, as well as the
19 school performance grades pursuant to § 6-15-1702. The Department of
20 Education shall prescribe the design and content of these reports, which must
21 include, without limitation, descriptions of the performance of all schools
22 participating in the assessment program and all of their major student
23 populations as determined by the Department of Education; provided, however,
24 that the provisions of § 6-18-902 pertaining to student records apply to this
25 section. Annual school performance reports shall be sent to all parents,
26 posted on the State Department of Education website, and published by the
27 local school district in the local newspaper.

28 (b) The Department of Education shall provide information regarding
29 performance of students and educational programs as required pursuant to §§
30 6-15-424 and 6-15-2301 and implement a system of school reports as required
31 by statute and State Board of Education rule. Annual school performance
32 reports shall be in an easy-to-read report card format and shall include the
33 school's student and school performance grade category designation and
34 performance data as specified in state board rule.

35
36 6-15-1702. School grading system; district performance grade – School

1 performance grade categories.

2 (a) The annual report shall designate two (2) grades for each school,
3 one (1) for the school's performance on the Arkansas Comprehensive Assessment
4 Testing in the latest available test results, and one (1) based on
5 improvement from the prior year, hereafter referred to as Adequate Yearly
6 Progress, pursuant to § 6-15-1704 and described in § 6-15-419(25). For the
7 designation determined by annual performance, annual performance shall
8 identify schools as being in one (1) of the following grade categories
9 defined according to rules of the State Board of Education:

10 (1) "A", schools with excellent student performance;

11 (2) "B", schools with above adequate student performance;

12 (3) "C", schools with adequate student performance;

13 (4) "D", schools in need of improvement; and

14 (5) "F", schools in need of immediate improvement.

15 (b) For the years 2003-2004 and 2004-2005, schools will not be
16 assigned a letter grade, instead they will be assigned the descriptive
17 language for the appropriate grade.

18 (c) Each school designated in performance grade category "A", with
19 excellent student performance, or having improved at least two (2)
20 performance grade categories, shall have greater authority over the
21 allocation of the school's total budget generated from the unrestricted
22 federal, state, and local funds, as specified in State Board of Education
23 rule. The rule must provide that the increased budget authority shall remain
24 in effect until the school's performance grade declines.

25
26 6-15-1703. School grading system; district performance grade-
27 Designation of school performance grade categories.

28 (a) School performance grade category designations itemized in § 6-15-
29 1702 shall be based on the following:

30 (1) School performance grade category designations shall be
31 based on the school's latest available test results and other factors as
32 determined by the State Board of Education.

33 (2) School performance grade category designation shall be based
34 on a combination of student achievement scores as measured by annual Arkansas
35 Comprehensive Assessment Testing assessments and end-of-course exams in
36 grades one (1) through twelve (12).

1 (b) Student assessment data used in determining school performance
2 grade categories shall include the aggregate scores of the combined
3 population enrolled in the school who have been assessed on the Arkansas
4 Comprehensive Assessment Testing.

5 (c) The Department of Education shall study the effects of mobility on
6 the performance of highly mobile students and recommend programs to improve
7 the performance of such students. The State Board of Education shall adopt
8 appropriate criteria for each school performance grade category and shall
9 assure that rankings correspond with measurement provisions of the No Child
10 Left Behind Act.

11 (d) Schools that receive a school performance grade category of "A" or
12 "B" are eligible for school recognition awards and performance-based funding
13 pursuant to § 6-15-1802.

14
15 6-15-1704. School grading system; district adequate yearly progress
16 grade—School adequate yearly progress grade categories.

17 (a) The annual report shall identify schools as being in one of the
18 following grade categories defined according to rules of the State Board of
19 Education as defined in the state's plan submitted to the United States
20 Department of Education, and in compliance with the provisions of this act:

21 (1) "A", schools providing excellent adequate yearly progress;

22 (2) "B", schools providing above adequate yearly progress;

23 (3) "C", schools providing adequate yearly progress;

24 (4) "D", schools in need of improvement; and

25 (5) "F", schools in need of immediate improvement.

26 (b) Each school designated in performance grade category "A",
27 excellent adequate yearly progress, or having improved at least two (2) grade
28 categories, shall have greater authority over the allocation of the school's
29 total budget generated from the unrestricted federal, state, and local funds,
30 as specified in State Board of Education rule. The rule must provide that
31 the increased budget authority shall remain in effect until the school's
32 adequate yearly progress grade declines.

33 (c) Schools designated as performance grade category "C," making
34 adequate yearly progress, shall be required to demonstrate that adequate
35 yearly progress as defined by the Arkansas State Accountability Plan
36 submitted by the state to the to the United States Department of Education

1 pursuant to The No Child Left Behind Act or current federal law has been made
2 by students in the school.

3
4 6-15-1705. School grading system; district adequate yearly progress
5 grade—Designation of school adequate yearly progress grade categories.

6 The annual report shall identify each school's adequate yearly progress
7 grade. The school adequate yearly progress grade category designations
8 itemized in § 6-15-1704 shall be based on the comparison of current year's
9 and prior years' student performance data for each of the student subgroups
10 as defined in the Arkansas State Accountability Plan, filed in compliance
11 with the No Child Left Behind Act's requirements.

12
13 6-15-1706. School grading system; district performance grade—School
14 performance grade category and improvement rating reports.

15 School performance grade category designations and improvement ratings
16 shall apply to each school's performance for the year in which performance is
17 measured. Each school's designation and rating shall be published annually
18 by the Department of Education and the school district and shall be available
19 on the Department of Education's website. Parents shall be entitled to an
20 easy-to-read written report card describing the designation and rating of the
21 school in which their child is enrolled.

22
23 6-15-1707. School grading system; district performance grade and
24 adequate yearly progress – Annual

25 The State Board of Education shall adopt rules necessary to implement §
26 6-15-1701 et seq. pursuant to the Arkansas Administrative Procedures Act,
27 codified at § 25-15-201 et seq.

28
29 6-15-1708. School grading system; district performance grade –District
30 performance grade.

31 (a) The annual report required by § 6-15-1701 shall include district
32 performance grades, which shall consist of weighted district average grades
33 as defined by the rules and regulations adopted by the state board in
34 compliance with federal and state law including this act, by level, for all
35 elementary schools, middle schools, and high schools in the district.

36 (b) A district's weighted average grade shall be calculated by

1 weighting individual school grades determined pursuant to § 6-15-1702 by
2 school enrollment.

3
4 SECTION 11. Arkansas Code Title 6, Chapter 15, is amended to add an
5 additional subchapter to read as follows:

6 6-15-1801. Kindergarten through grade twelve (K-12) education
7 performance accountability system – Legislative intent.

8 (a) It is the intent of the General Assembly that the performance
9 accountability system shall be implemented to assess the effectiveness of
10 Arkansas’s seamless kindergarten through grade twelve (K-12) education
11 delivery system and mission and goals to:

12 (1) Determine what the public is receiving in return for the
13 funds invested in education;

14 (2) Determine the effectiveness of Arkansas’s kindergarten
15 through grade twelve (K-12) education system in educating its students;

16 (3) Determine the effectiveness of the major delivery sectors
17 promoting student achievement;

18 (4) Determine how are individual schools are performing with
19 respect to their responsibility to educate their students as measured by how
20 students are performing and how much they are learning;

21 (5) Determine how Arkansas performing compared to other states,
22 especially the states of the Board of Control for Southern Regional
23 Education.

24 (b)(1) The State Board of Education shall establish and report to the
25 Governor and the General Assembly systemwide performance standards.

26 (2) The State Board of Education shall establish systemwide
27 performance measures and standards, and the systemwide measures and standards
28 shall provide Arkansans with information on what the public is receiving in
29 return for the funds it invests in education and how well the kindergarten
30 through grade twelve (K-12) system educates its students.

31 (c) The State Board of Education shall establish performance measures
32 and shall set performance standards for individual components of the public
33 education system, including individual schools and districts, with measures
34 and standards based primarily on student achievement.

35
36 6-15-1802. Arkansas school recognition program.

1 (a) The General Assembly finds that there is a need for a performance
2 incentive program for outstanding faculty and staff in highly productive
3 schools. The General Assembly further finds that performance-based
4 incentives are commonplace in the private sector and should be infused into
5 the public sector as a reward for productivity.

6 (b) The Arkansas School Recognition Program is created to provide
7 financial awards to public schools that:

8 (1) Receives a grade of "A" or "B" for its academic performance
9 pursuant to § 6-15-1702 and at least a "C" for school improvement pursuant to
10 § 6-15-1704; or

11 (2) Receives a grade of "A" or "B" for its school improvement
12 pursuant to § 6-15-1704.

13 (c) Each school meeting the requirements set out in subdivisions
14 (b)(1) or (b)(2) of this section below shall receive performance-based
15 funding in the amount of one hundred dollars (\$100) per student, who
16 participated in the school's assessment program. A school that receives a
17 grade of "A" or "B" for its academic performance under § 6-15-1702 and that
18 receives a grade of "A" or "B" for its school improvement under § 6-15-1704
19 shall receive performance-based funding based on both its academic
20 performance and its school improvement. Each school that receives
21 performance-based funding must submit a proposal for its spending of the
22 performance-based funding to the Department of Education. The Department of
23 Education shall review and approve or reject each proposal. The Department
24 of Education shall approve spending of performance-based funding for academic
25 expenses only as set forth in subsection (f) of this section.

26 (d) All public schools, including charter schools, that receive school
27 grades pursuant to §§ 6-15-1702 and 6-15-1704 are eligible to participate in
28 the program.

29 (e) All eligible schools shall receive performance-based funding.
30 Funds must be distributed to the school's fiscal agent and placed in the
31 school's account and must be used for purposes listed in subsection (f) of
32 this section as determined by a committee which shall include the principal,
33 a teacher elected by the faculty, and a representative selected by the Parent
34 Advisory Council. The committee must make its determination by December 15
35 of each applicable year.

36 (f) School recognition awards must be used for the following:

1 (1) Nonrecurring bonuses to the faculty and staff;

2 (2) Nonrecurring expenditures for educational equipment or
3 materials to assist in maintaining and improving student performance; or

4 (3) Temporary personnel for the school to assist in maintaining
5 and improving student performance.

6 (g) The General Assembly shall appropriate and fund sufficient funds
7 to implement this section.

8
9 6-15-1803. Kindergarten through grade twelve (K-12) education
10 Performance Accountability System – Mission Goals and Systemwide Measures.

11 (a) The mission of Arkansas’s kindergarten through grade twelve (K-12)
12 education system shall be to increase the proficiency of all students within
13 one (1) seamless, efficient system, by allowing them the opportunity to
14 expand their knowledge and skills through learning opportunities and research
15 valued by students, parents, taxpayers, and communities, and to maintain an
16 accountability system that measures student progress toward the following
17 goals:

18 (1) Highest student achievement, as measured by:

19 (A) Student Arkansas Comprehensive Assessment Testing
20 performance and annual learning gains;

21 (B) The number and percentage of schools that improve at
22 least one school performance grade designation or maintain a school
23 performance grade designation of "A" pursuant to § 6-15-1702; and

24 (C) Graduation or completion rates at all learning levels;
25 and other measures identified in law or rule; and

26 (2) Seamless articulation and maximum access, as measured by:

27 (A) The percentage of students who demonstrate readiness
28 for the educational level they are entering, from kindergarten through
29 twelfth grade, into the workforce and into higher education, adjusted for the
30 number of college freshman that graduated from Arkansas high schools that
31 need remediation in reading and math;

32 (B) Other measures identified by law or State Board of
33 Education rule.

34
35 6-15-1804. Kindergarten through grade twelve (K-12) education
36 performance accountability system – Systemwide data collection.

1 School districts and the Department of Education shall maintain
2 information systems that will provide the State Board of Education and the
3 General Assembly with information and reports at a level of comprehensiveness
4 and quality no less than that which will be available as of June 30, 2005.

5
6 SECTION 12. Arkansas Code Title 6, Chapter 18, Subchapter 2 is amended
7 to add an additional section to read as follows:

8 6-18-227.

9 (a)(1) This section may be referred to and cited as the "Arkansas
10 Opportunity Public School Choice Act of 2003".

11 (2) The purpose of this section is to provide enhanced
12 opportunity for students in this state to gain the knowledge and skills
13 necessary for postsecondary education, a technical education, or the world of
14 work. The General Assembly recognizes that the Arkansas Constitution, as
15 interpreted by the Arkansas Supreme Court in Lake View School District No. 25
16 v. Mike Huckabee, 351 Ark. 31 (2002), makes education a paramount duty of the
17 state. The General Assembly finds that the State Constitution requires the
18 state to provide an adequate education. The General Assembly further finds
19 that a student should not be compelled, against the wishes of the student's
20 parent, to remain in a school found by the state to be failing for two (2) or
21 more consecutive years or any two (2) years of a four (4) year period with a
22 grade of "D" or "F" pursuant to § 6-15-1704. The General Assembly shall make
23 available a public school choice option in order to give parents the
24 opportunity for their children to attend a public school that is performing
25 satisfactorily.

26 (3) The General Assembly further finds that giving more options
27 to parents and students with respect to where the students attend public
28 school will increase the responsiveness and effectiveness of the state's
29 schools, since teachers, administrators, and school board members will have
30 added incentive to satisfy the educational needs of the students who reside
31 in the district.

32 (4) A public school choice program is hereby established to
33 enable any student to transfer from a failing or underperforming school to
34 any other public school in the state, subject to the restrictions contained
35 in this section.

36 (b)(1) A public school student's parent may request and shall receive

1 from the receiving district a transfer option for the student to enroll in
2 and attend another public school in accordance with the provisions of this
3 section if:

4 (A)(i) By assigned school attendance area or by special
5 assignment, the student has spent the prior school year in attendance at a
6 public school that has been designated pursuant to § 6-15-1702 as adequate
7 yearly progress grade category "F" and that has had 2 or more consecutive
8 school years of such low performance, and the student's attendance occurred
9 during a school year in which such designation was in effect;

10 (ii) The student has been in attendance elsewhere in
11 the public school system and has been assigned to such school for the next
12 school year; or

13 (iii) The student is entering kindergarten or first
14 grade and has been notified that the student has been assigned to such school
15 for the next school year.

16 (B) The parent has notified the Department of Education
17 and both the sending and receiving school districts of the request for a
18 transfer no later than July 15 of the first year in which the student intends
19 to transfer.

20 (2) For purposes of continuity of educational choice, the
21 transfer shall remain in force until the student completes high school or the
22 parent notifies the Department of Education and both the sending and
23 receiving school districts, no later than July 15 following the current
24 school year, of his or her desire to transfer back to the child's resident
25 school district at the end of the current school year.

26 (3)(A) A school district shall, for each student enrolled in or
27 assigned to a school that has been designated as adequate yearly progress
28 grade category "F" for two (2) or more consecutive school years:

29 (i) Timely notify the parent of the student as soon
30 as such designation is made of all options available pursuant to this
31 section; and

32 (ii) Offer that student's parent an opportunity to
33 enroll the student in any public school that has been designated by the state
34 pursuant to § 6-15-1704 as a school performing higher than that in which the
35 student is currently enrolled or to which the student has been assigned, but
36 not less than adequate yearly progress grade category "C." The opportunity

1 to continue attending the higher performing public school shall remain in
2 force until the student graduates from high school.

3 (B) The parent of a student enrolled in or assigned to a
4 school that has been designated adequate yearly progress grade category "F"
5 for two (2) or more consecutive school years may choose as an alternative to
6 enroll the student in a higher-performing public school in any school
7 district, and that school district shall accept the student and report the
8 student for purposes of the district's funding pursuant to the Equitable
9 School Finance System Act of 1995.

10 (C) Students with disabilities who are eligible to receive
11 services from the school district under federal or state law, and who
12 participate in this program, remain eligible to receive services from the
13 school district as provided by federal or state law, and any funding for such
14 student shall be transferred to the district to which the student transfers.

15 (c) If the parent chooses to request that the student be enrolled in a
16 higher performing public school, transportation costs to the to either (A)
17 the closest adequately performing school within the district, or (B) if there
18 is not an adequately performing school within the district, the closest
19 adequately performing school shall be the responsibility of the transferring
20 school district. However, upon the transferring district receiving a grade
21 of adequate, as of the next academic school year, then the transportation
22 costs shall no longer be the responsibility of the transferring district.
23 The transferring district may utilize state categorical transportation funds
24 or federal funds as permitted by federal law.

25 (d)(1) Each district school board shall offer the Opportunity Public
26 School Choice Option within the public schools. The Opportunity Public
27 School Choice Option shall be offered in addition to the existing choice
28 programs such as magnet schools, alternative schools, special programs, and
29 dual enrollment.

30 (2) Each district school board shall develop a Opportunity
31 Public School Choice Option plan which describes the implementation of
32 subdivision (d)(1) of this section. In the event that the Opportunity Public
33 School Choice Option results in a receiving district requiring temporary
34 facilities or faculty as a result of and to accommodate the additional
35 students, expenses related thereto in excess of that received for each
36 student electing the Opportunity Public School Choice Option shall be borne

1 by the State.

2 (e) School districts shall adhere to federal desegregation
3 requirements. No Opportunity Public School Choice Option plan that conflicts
4 with federal desegregation orders shall be implemented.

5 (f) The provisions of this section and all student choice options
6 created in this section are subject to the following limitations:

7 (1) No student may transfer to a nonresident district where the
8 percentage of enrollment for the student's race exceeds that percentage in
9 the student's resident district except in the circumstances set forth in
10 subdivisions (2) and (4) of this subsection;

11 (2) A transfer to a district is exempt from the restriction set
12 forth in subdivision (f)(1) of this section if all districts within a county
13 have voted to participate in choice, if the transfer is between two (2)
14 districts within a county, and if the minority percentage in the student's
15 race and majority percentages of school enrollment in both the resident and
16 nonresident district remain within an acceptable range of the county's
17 overall minority percentage in the student's race and majority percentages of
18 school population as set forth by the department;

19 (3) The department shall by the filing deadline each year
20 compute the minority percentage in the student's race and majority
21 percentages of each county's public school population from the October Annual
22 School Report and shall then compute the acceptable range of variance from
23 those percentages for school districts within each county. In establishing
24 the acceptable range of variance, the department is directed to use the
25 remedial guideline established in Little Rock School District v. Pulaski
26 County Special School District of allowing an overrepresentation or
27 underrepresentation of black or white students of one-fourth (1/4) or twenty-
28 five percent (25%) of the county's racial balance. In establishing the
29 acceptable range of variance for school choice, the department is directed to
30 use the remedial guideline of allowing an overrepresentation or
31 underrepresentation of minority or majority students of one-fourth (1/4) or
32 twenty-five percent (25%) of the county's racial balance;

33 (4) A transfer is exempt from the restriction set forth in
34 subdivision (f)(1) of this section if each school district within the county
35 does not have a critical mass of minority percentage in the student's race of
36 more than ten percent (10%) of any single race;

1 (5) In any instance where the foregoing provisions would result
2 in a conflict with a desegregation court order or a district's court-approved
3 desegregation plan, the terms of the order or plan shall govern;

4 (6) The department shall adopt appropriate rules and regulations
5 to implement the provisions of this section; and

6 (7) The department shall monitor school districts for compliance
7 with this section.

8 (g) The Department of Education shall develop an annual report on the
9 status of school choice and deliver the report to the State Board of
10 Education, the Governor, and the Legislative Council at least ninety (90)
11 days prior to the convening of the regular session of the General Assembly.

12 (h) Each district school board shall annually report the number of
13 students applying for and attending the various types of public schools of
14 choice in the district, including schools such as magnet schools, according
15 to rules adopted by the State Board of Education.

16 (i)(1) A receiving district shall accept credits toward graduation
17 that were awarded by another district.

18 (2) The receiving district shall award a diploma to a
19 nonresident student if the student meets the receiving district's graduation
20 requirements.

21 (j) For purposes of determining a school district's state equalization
22 aid, the nonresident student shall be counted as a part of the average daily
23 membership of the district to which the student has transferred.

24 (k)(1) All school districts shall report to the Equity Assistance
25 Center on an annual basis the race, gender, and other pertinent information
26 needed to properly monitor compliance with the provisions of this section.

27 (2) The reports may be on those forms that are prescribed by the
28 department, or the data may be submitted electronically by the district using
29 a format authorized by the department.

30 (3) The department may withhold state aid from any school
31 district that fails to file its report each year or fails to file any other
32 information with a published deadline requested from school districts by the
33 center so long as thirty (30) calendar days are given between the request for
34 the information and the published deadline except when the request comes from
35 a member or committee of the General Assembly.

36 (4) A copy of the report shall be provided to the Joint Interim

1 Committee on Educational Reform.

2 (1)(1) Any student participating in the Opportunity Public School
3 Choice Option must remain in attendance throughout the school year, unless
4 excused by the school for illness or other good cause, and must comply fully
5 with the school's code of conduct.

6 (2) The parent of each student participating in the Opportunity
7 Public School Choice Option must comply fully with the receiving public
8 school's parental involvement requirements, unless excused by the school for
9 illness or other good cause.

10 (3) The parent shall ensure that the student participating in
11 the Opportunity Public School Choice Option takes all statewide assessments,
12 including, but not limited to Arkansas Comprehensive Assessment Testing,
13 required pursuant to § 6-15-424.

14 (4) A participant who fails to comply with this subsection shall
15 forfeit the Opportunity Public School Choice Option.

16 (m)(1) The maximum Opportunity Public School Choice funds granted for
17 an eligible student shall be a calculated amount equivalent to the base local
18 revenue per student allocation for the receiving district.

19 (2) The receiving school district shall report all students who
20 transfer from another public school under this program. The students
21 attending public schools pursuant to the Opportunity Public School Choice
22 Option shall be reported separately from those students reported for purposes
23 of compliance with the Equitable School Finance System Act, § 6-20-301, et
24 seq.

25 (3) The public school that provides services to students with
26 disabilities shall receive funding as determined by the Adequacy Study and
27 approved by the General Assembly.

28 (4) Following annual notification on July 15 of the number of
29 participants, the Department of Education shall transfer from each school
30 district's appropriated funds the amount calculated pursuant to the Equitable
31 School Finance System Act, § 6-20-301, et seq. and authorized categorical
32 accounts to a separate account for quarterly disbursement to receiving
33 district or charter schools.

34 (5) Upon proper documentation reviewed and approved by the
35 Department of Education, the Comptroller shall make school transfer fund
36 payments in four equal amounts no later than September 1, November 1,

1 February 1, and April 1 of each academic year in which the Opportunity Public
2 School Choice Option is in force. The initial payment shall be made after
3 Department of Education verification of admission acceptance, and subsequent
4 payments shall be made upon verification of continued enrollment and
5 attendance at the receiving school.

6 (n) No liability shall arise on the part of the state based on any
7 grant or use of fund for the Opportunity Public School Choice Option.

8 (o) The State Board of Education shall adopt any rules necessary for
9 the implementation of the Arkansas Opportunity Public School Choice Act of
10 2003, § 6-18-1301, et seq. pursuant to the Arkansas Administrative Procedures
11 Act, codified at § 25-15-201 et seq.

12 (p) Losses in revenue to a district directly related to the transfer
13 of students pursuant to this section shall not be considered when determining
14 a district's eligibility for funding pursuant to § 6-20-326.

15 (q) A district participating under this program shall cause public
16 announcements to be made over the broadcast media and in the print media at
17 such times and in such manner as to inform parents or guardians of students
18 in adjoining districts of the availability of the program, the application
19 deadline, and the requirements and procedure for nonresident students to
20 participate in the program.

21
22 SECTION 13. Arkansas Code Title 6, Chapter 15, is amended to add an
23 additional subchapter to read as follows:

24 6-15-2001. Implementation of state system of school improvement and
25 education accountability.

26 (a) The Department of Education is responsible for implementing and
27 maintaining a system of intensive school improvement and education
28 accountability, which shall include policies and programs to implement the
29 following:

30 (1) A system of data collection and analysis that will improve
31 information about the educational success of individual students and schools.
32 The information and analyses must be capable of identifying educational
33 programs or activities in need of improvement, and reports prepared pursuant
34 to this section shall be distributed to the appropriate district school
35 boards prior to distribution to the general public. This provision shall not
36 preclude access to public records as provided in Freedom of Information Act, §

1 25-19-101 et seq.;

2 (2) A program of school improvement that will analyze
3 information to identify schools educational programs or educational
4 activities in need of improvement;

5 (3) A method of delivering services to assist school districts
6 and schools to improve; and

7 (4) A method of coordinating the state educational goals and
8 school improvement plans with any other state program that creates incentives
9 for school improvement.

10 (b) The Department of Education shall be held responsible for the
11 implementation and maintenance of the system of school improvement and
12 education accountability outlined in this section. There shall be an annual
13 determination of whether adequate yearly progress is being made toward
14 implementing and maintaining a system of school improvement and education
15 accountability.

16 (c) If adequate yearly progress is not being made the local school
17 district shall prepare and implement a revised school improvement plan. The
18 Department of Education and State Board of Education shall monitor the
19 development and implementation of the revised school improvement plan.

20 (d) The Department of Education shall report to the Legislative
21 Council and recommend changes in state policy necessary to foster school
22 improvement and education accountability. Included in the report shall be a
23 list of the schools for which district school boards have developed
24 assistance and intervention plans and an analysis of the various strategies
25 used by the school boards. School reports shall be distributed pursuant to
26 this subsection and § 6-15-1701 and according to rules adopted by the State
27 Board of Education.

28 (e)(1) The Department of Education shall implement a training program
29 to develop among state and district educators a cadre of facilitators of
30 school improvement. These facilitators shall assist schools and districts to
31 conduct needs assessments and develop and implement school improvement plans
32 to meet state goals.

33 (2) Upon request, the Department of Education shall provide
34 technical assistance and training to any school, school district, or district
35 school board for conducting needs assessments, developing and implementing
36 school improvement plans, developing and implementing assistance and

1 intervention plans, or implementing other components of school improvement
2 and accountability. Priority for these services shall be given to schools
3 designated as performance grade category "D" or "F".

4 (3) The Department of Education shall provide technical assistance to
5 each school designated as performance grade category "D" or "F" to develop a
6 revised school improvement plan. Notice shall be given to the public of the
7 Department of Education's intervention and shall identify each school without
8 an approved school improvement plan.

9 (4) The local school district shall assign a comprehensive school
10 improvement team to each school designated as performance grade category "D"
11 or "F" to review the school performance data and determine causes for the low
12 performance. The team shall make recommendations to the school board for
13 implementing a revised school improvement plan that will address the causes
14 of the school's low performance. The team comprehensive school improvement
15 team shall include, but not be limited to, parents, business representatives,
16 educators, and community activists, and shall represent the demographics of
17 the community from which they are appointed. Each comprehensive school
18 improvement team shall receive training prior to deployment, including, but
19 not limited to, data disaggregation.

20 (g) Schools designated in performance and adequate yearly progress
21 grade categories "A," making excellent progress, shall, if requested by the
22 school, be given exemplary status as specified in §§ 6-15-2401 through 6-15-
23 2409.

24 (h) As a part of the system of educational accountability, the
25 Department of Education shall:

26 (1) Develop minimum performance standards for various grades and
27 subject areas, as required in §§ 6-15-1701 et seq., 6-15-424, and 6-15-403;

28 (2) Administer the statewide assessment testing program created
29 by § 6-15-424;

30 (3) Conduct the program assessments required by § 6-15-403; and

31 (4) Perform any other functions that may be involved in
32 educational planning, research, and evaluation or that may be required by the
33 State Board of Education rules and regulations or federal or state law.

34
35 SECTION 14. Arkansas Code Title 6, Chapter 15 is amended to add the
36 following new subchapter.

1 6-15-2101. Best financial management practices for school districts -
2 Standards - Reviews - Designation of school districts.

3 (a) The purpose of best financial management practices reviews are to
4 improve Arkansas school district management's use of resources and to
5 identify cost savings. The Department of Education and the Division of
6 Legislative Audit of the Legislative Joint Auditing Committee of the General
7 Assembly are directed to develop a system for reviewing the financial
8 management practices of school districts. In this system, the Division of
9 Legislative Audit shall assist the Department of Education in examining
10 district operations to determine whether they meet "best financial management
11 practices."

12 (b)(1) The best financial management practices adopted by the State
13 Board of Education may be updated periodically after consultation with the
14 Legislative Council, the Governor, the Department of Education, school
15 districts, and the Division of Legislative Audit. The Department of
16 Education shall submit to the State Board of Education for review and
17 adoption proposed revisions to the best financial management practices
18 adopted by the Board of Education and reviewed by the Legislative Council.
19 The best financial management practices, at a minimum, must instill public
20 confidence by addressing the school district's use of resources, identifying
21 ways that the district could save funds, and improving districts' performance
22 accountability systems, including public accountability. To achieve these
23 objectives, best practices shall be developed for, but need not be limited
24 to, the following areas:

25 (A) Management structures;

26 (B) Performance accountability;

27 (C) Efficient delivery of educational services, including
28 instructional materials;

29 (D) Administrative and instructional technology;

30 (E) Personnel systems and benefits management;

31 (F) Facilities construction;

32 (G) Facilities maintenance;

33 (H) Student transportation;

34 (I) Food service operations;

35 (J) Cost control systems, including asset management, risk
36 management, financial management, purchasing, internal auditing, and

1 financial auditing;

2 (K) Athletics; and

3 (L) Other extra-curricular activities.

4 (2) In areas for which the Board of Education has not adopted
5 best practices, the Department of Education may develop additional best
6 financial management practices, with input from a broad range of
7 stakeholders. The Department of Education shall present any additional best
8 practices to the State Board of Education for review and adoption. Revised
9 best financial management practices adopted by the State Board of Education
10 must be used in the next year's scheduled school district reviews conducted
11 according to this section.

12 (c) The Department of Education shall conduct the reviews or contract
13 with a private firm selected through a formal request for proposal process to
14 perform the review. The General Assembly shall appropriate and fund
15 sufficient funds to implement this subsection. At least one member of the
16 private firm review team shall have expertise in school district finance.
17 The scope of the review shall focus on the best practices adopted by the
18 State Board of Education, pursuant to subsection (b) of this section. The
19 State Board of Education may include additional items in the scope of the
20 review after seeking input from the school district and the Department of
21 Education.

22 (d) The State Board of Education shall consult with the Department of
23 Education throughout the best practices review process to ensure that the
24 technical expertise of the Department of Education benefits the review
25 process and supports the school districts before, during, and after the
26 review.

27 (e)(1) It is the intent of the General Assembly that each school
28 district shall be subject to a best financial management practices review.
29 The General Assembly also intends that all school districts shall be reviewed
30 annually either by electronic data analysis or on-site visits and shall be
31 given one of the following designations:

32 (A) "A", schools comprehensively complying with best
33 financial practices;

34 (B) "B", schools complying with best financial practices
35 at significant levels;

36 (C) "C", schools adequately complying with best financial

1 practices;

2 (D) "D", schools less than adequately complying with best
3 financial practices;

4 (E) "F", schools failing to comply with best financial
5 practices.

6 (2) The State Department of Education shall prepare annual
7 reports of the results of the best financial management practices reviews and
8 shall post to its website the school and district financial grades pursuant
9 to subsection (b) of this section. The report, which shall be part of the
10 overall school and district report card requirement pursuant to § 6-15-1701,
11 shall include both revenue sources and expenditures. The reporting of
12 expenditures shall include breakdowns of administrative, instructional,
13 support, and operations expenditures, as well as any other financial
14 commitments of the school and district.

15 (f) The Legislative Council may adjust the schedule of districts to be
16 reviewed when unforeseen circumstances prevent initiation of reviews
17 scheduled.

18 (g) The Department of Education, subject to funding by the General
19 Assembly, may conduct, or contract with a private firm to conduct, up to two
20 (2) additional best financial management practices reviews.

21 (h) Reviews shall be conducted by the Division of Legislative Audit,
22 and the Department of Education, or the consultant. Funds may be used for
23 the cost of reviews by the Division of Legislative Audit and private
24 consultants contracted by the State Board of Education. Costs may include
25 professional services, travel expenses of Department of Education and staff
26 of the Division of Legislative Audit, and any other necessary expenses
27 incurred as part of a best financial management practices review and as
28 preapproved by the Department of Education.

29 (i) Districts must complete a self-assessment instrument provided by
30 the Department of Education which indicates the school district's evaluation
31 of its performance on each best practice. The district must begin the self-
32 assessment not later than sixty (60) days prior to the commencement of the
33 review. The completed self-assessment instrument and supporting
34 documentation must be submitted to the Department of Education not later than
35 the date of commencement of the review as notified by the Department of
36 Education. The best practices review team will use this self-assessment

1 information during their review of the district.

2 (j) During the review, the Department of Education or the consultant
3 conducting the review, if any, shall hold at least one (1) advertised public
4 forum as part of the review in order to explain the best financial management
5 practices review process and obtain input from students, parents, the
6 business community, and other district residents regarding their concerns
7 about the operations and management of the school district.

8 (k) District reviews conducted under this section must be completed
9 within six (6) months after commencement. The Department of Education shall
10 issue a final report to the Legislative Council regarding the district's use
11 of best financial management practices and cost savings recommendations
12 within sixty (60) days after completing the reviews. Copies of the final
13 report shall be provided to the Governor, the State Board of Education, the
14 district superintendent and the districts' school board members. The
15 district superintendent shall notify the press that the final report has been
16 delivered. The notification shall state the Department of Education website
17 address at which an electronic copy of the report is available.

18 (l) After receipt of the final report, or if no action plan was
19 required because the district was found to be using the best practices, the
20 district school board shall hold an advertised public forum to accept public
21 input and review the findings and recommendations of the report. The
22 district school board shall advertise and promote this forum in a manner
23 appropriate to inform parents, school district employees, the business
24 community, and other district residents of the opportunity to attend this
25 meeting.

26 (m)(1) If the district is found not to conform to best financial
27 management practices, the report must contain an action plan detailing how
28 the district could meet the best practices within two (2) years. The
29 district school board must develop and approve the implementation schedule
30 within sixty (60) days after receipt of the final report. If a district
31 fails to vote on the action plan within sixty (60) days, the district
32 superintendent and school board members shall be required to appear and
33 present testimony before the State Board of Education and/or the Legislative
34 Council.

35 (2) Within sixty (60) days after the receipt of the final
36 report, the district school board must notify the State Board of Education

1 and the Department of Education in writing of the implementation schedule for
2 the action plan. The Department of Education may contact the school
3 district, assess the situation, and offer technical assistance, if needed.

4 (n) After a district school board votes to implement the action plan:

5 (1) No later than one (1) year after receipt of the final
6 report, the district school board must submit an initial status report to the
7 Governor, the State Board of Education, the Division of Legislative Audit,
8 the Department of Education, and the Legislative Council on progress made
9 toward implementing the action plan and whether changes have occurred in
10 other areas of operation that would affect compliance with the best
11 practices; and

12 (2)(A) A second status report must be submitted by the school
13 district to the Governor, the State Board of Education, the Division of
14 Legislative Audit, the Department of Education, and the Legislative Council
15 no later than one (1) year after submission of the initial report.

16 (B) Status reports are not required once the State Board
17 of Education concludes that the district is using best financial management
18 practices and the district is designated a grade category "C" for its
19 financial practices.

20 (o) After receipt of each of a district's two (2) status reports
21 required by subsection (n) of this section, the Department of Education shall
22 assess the district's implementation of the action plan and progress toward
23 implementing the best financial management practices in areas covered by the
24 plan. Following each assessment, the Department of Education shall issue a
25 report to the Governor, the State Board of Education, the Division of
26 Legislative Audit, the district, and the Education Committees of the Senate
27 and the House of Representatives indicating whether the district has
28 successfully implemented the best financial management practices. If a
29 district has failed to implement an action plan adopted pursuant to
30 subsection (m) of this section, district school board members and the
31 district school superintendent may be required to appear before the State
32 Board of Education and the Legislative Council to present testimony regarding
33 the district's failure to implement such action plan.

34 (p) School districts that successfully implement the best financial
35 management practices within two (2) years, or are determined in their review
36 to be using the best practices and are graded a category "A" pursuant to

1 subsection (e) of this section, are eligible to receive a "Seal of Best
2 Financial Management." Upon notification to the Department of Education and
3 the State Board of Education by the Division of Legislative Audit that a
4 district has been found to be using the best financial management practices,
5 the State Board of Education shall award that district a "Seal of Best
6 Financial Management" certifying that the district is adhering to the state's
7 best financial management practices. The State Board of Education
8 designation shall be effective until a district's financial accountability
9 grade decreases. During the designation period, the district school board
10 shall annually, not later than the anniversary date of the certification,
11 notify the Governor, the State Board of Education, the Division of
12 Legislative Audit, the Department of Education, and the press of any changes
13 in policies or operations or any other situations that would not conform to
14 the state's best financial management practices. The State Board of
15 Education shall revoke the designation of a district school board at any time
16 if it determines that a district is no longer complying with the state's best
17 financial management practices. If no such changes have occurred and the
18 district school board determines that the school district continues to
19 conform to the best financial management practices, the district school board
20 shall annually report that information to the State Board of Education, with
21 copies to the Division of Legislative Audit.

22 (q)(1) A district school board that has been awarded a "Seal of Best
23 Financial Management" by the State Board of Education and has annually
24 reported to the State Board of Education that the district is still
25 conforming to the best financial management practices may request a waiver
26 from undergoing its next scheduled best financial management practices review
27 so long as its financial accountability grade has not decreased.

28 (2) To apply for such waiver, not later than June 1 of the
29 fiscal year prior to the fiscal year in which the district is next scheduled
30 for review, the district school board shall certify to the Division of
31 Legislative Audit and the Department of Education the district school board's
32 determination that the school district is still conforming to the best
33 financial management practices.

34 (3) After consultation with the Division of Legislative Audit
35 and review of the district school board's determination, the Department of
36 Education may recommend to the Legislative Council that the district be

1 granted a waiver for the next scheduled best financial management practices
2 review. If approved for waiver, the Department of Education shall notify the
3 school district that no review of that district will be conducted during the
4 next scheduled review cycle. In that event, the district school board must
5 continue annual reporting to the State Board of Education as required in
6 subsection (p) of this section.

7 (r) District school boards that receive a best financial management
8 practices review must maintain records that will enable independent
9 verification of the implementation of the action plan and any related fiscal
10 impacts.

11 (s) Unrestricted cost savings resulting from implementation of the
12 best financial management practices must be spent at the school and classroom
13 levels for teacher salaries, teacher training, improved classroom and school
14 facilities, student supplies, textbooks, classroom technology, and other
15 direct student instruction activities. Cost savings identified for a program
16 that has restrictive expenditure requirements shall be used for the
17 enhancement of the specific program. If the district is in fiscal distress,
18 the cost savings may be used in accordance with the fiscal distress plan.

19
20 SECTION 15. Arkansas Code Title 6, Chapter 15 is amended to add the
21 following new subchapter.

22 6-15-2201. Postsecondary feedback of information to high schools.

23 (a) The State Board of Higher Education shall adopt rules that require
24 the Department of Higher Education to report to the State Board of Education,
25 the General Assembly, and the district school boards on the performance of
26 each first-time-in-post-secondary education student from each public high
27 school in this state who is enrolled in a public postsecondary institution or
28 public technical center. Such reports must be based on information databases
29 maintained by the Department of Higher Education. In addition, the public
30 postsecondary educational institutions and technical centers shall provide
31 district school boards access to information on student performance in
32 regular and preparatory courses and shall indicate students referred for
33 remediation.

34 (b) The Department of Higher Education shall report, by high school,
35 to the State Board of Education and the General Assembly, no later than
36 November 30 of each year, on the number of prior year Arkansas high school

1 graduates who enrolled for the first time in public post-secondary education
2 in this state during the previous summer, fall, or spring term, indicating
3 the number of students whose scores on the common placement test indicated
4 the need for remediation through college-preparatory instruction.

5 (c) The Department of Higher Education shall organize school summary
6 reports and student-level records by school district and high school in which
7 the postsecondary education students were enrolled and report the information
8 to each school district no later than January 31 of each year.

9 (d) As a part of the school improvement plan pursuant to § 6-15-2001,
10 the State Board of Education shall ensure that each school district and high
11 school develops strategies to improve student readiness for the public
12 postsecondary level based on annual analysis of the feedback report data.

13 (e) The Department of Education shall biennially recommend to the
14 General Assembly statutory changes to reduce the incidence of postsecondary
15 remediation in mathematics, reading, and writing for first-time enrolled
16 recent high school graduates.

17
18 SECTION 16. Arkansas Code Title 6, Chapter 15 is amended to add the
19 following new subchapter:

20 6-15-2301. Educational planning and information systems – Educational
21 planning.

22 (a) The Director of Education is responsible for all planning
23 functions for the Department of Education, including collection, analysis,
24 and interpretation of all data, information, test results, evaluations, and
25 other indicators that are used to formulate policy, identify areas of concern
26 and need, and serve as the basis for short-range and long-range planning.
27 Such planning shall include assembling data, conducting appropriate studies
28 and surveys, and sponsoring research and development activities designed to
29 provide information about educational needs and the effect of alternative
30 educational practices.

31 (b) Each district school board shall maintain a continuing system of
32 planning and budgeting designed to aid in identifying and meeting the
33 educational needs of students and the public. Provision shall be made for
34 coordination between the Department of Education and the Department of Higher
35 Education concerning the planning for career and technical education and
36 adult educational programs. The major emphasis of the system shall be based

1 upon the Adequacy Study as approved by the General Assembly and the Academic
2 Content Standards developed by the Department of Education and adopted by the
3 State Board of Education. The Department of Education planning and budgeting
4 system must include consideration of student achievement data and financial
5 accountability data obtained pursuant to Title 6, Chapter 15, Subchapter 17,
6 § 6-15-424, and § 6-15-2101.

7
8 6-15-2302. Educational planning and information systems –
9 Comprehensive management information systems.

10 (a) The Department of Education shall develop and implement an
11 integrated information system for educational management. The system must be
12 designed to collect, via electronic transfer, all student and school
13 performance data required to ascertain the degree to which schools and school
14 districts are meeting state performance standards, and must be capable of
15 producing data for a comprehensive annual report on school and district
16 performance. In addition, the system shall support, as feasible, the
17 management decisions to be made in each division of the Department of
18 Education and at the individual school and district levels. Similar data
19 elements among divisions and levels shall be compatible. The system shall be
20 based on an overall conceptual design; the information needed for such
21 decisions, including fiscal, student, program, personnel, facility,
22 community, evaluation, and other relevant data; and the relationship between
23 cost and effectiveness. The system shall be managed and administered by the
24 Department of Education and shall include a district subsystem component to
25 be administered at the district level. Each district school system with a
26 unique management information system shall assure that compatibility exists
27 between its unique system and the district component of the state system so
28 that all data required as input to the state system is made available via
29 electronic transfer and in the appropriate input format.

30 (b) The specific responsibilities of the Department of Education shall
31 include:

32 (1) Consulting with school district representatives in the
33 review of the state's management information system for public school
34 education management;

35 (2) Providing operational definitions for the state's system;

36 (3) Determining the information and specific data elements

1 required for the management decisions made at each educational level,
2 recognizing that the primary unit for information input is the individual
3 school and recognizing that time and effort of instructional personnel
4 expended in collection and compilation of data should be minimized;

5 (4) Review and develop standardized terminology and procedures
6 to be followed at all levels of the system;

7 (5) Review and develop a standard transmittal format to be used
8 for collection of data from the various levels of the system;

9 (6) Review and develop appropriate computer programs to assure
10 integration of the various information components dealing with students,
11 personnel, facilities, fiscal, program, community, and evaluation data;

12 (7) Review and develop the necessary programs to provide
13 statistical analysis of the integrated data provided in subdivision (b)(6) in
14 such a way that required reports may be disseminated, comparisons may be
15 made, and relationships may be determined in order to provide the necessary
16 information for making management decisions at all levels;

17 (8) Review and develop output report formats which will provide
18 district school systems with information for making management decisions at
19 the various educational levels;

20 (9) Assisting the district school systems in establishing their
21 subsystem components and assuring compatibility with current district
22 systems;

23 (10) Establishing procedures for continuous evaluation of system
24 efficiency and effectiveness;

25 (11) Initiating a reports-management and forms-management system
26 to ascertain that duplication in collection of data does not exist and that
27 forms and reports for reporting under state and federal requirements and
28 other forms and reports are prepared in a logical and uncomplicated format,
29 resulting in a reduction in the number and complexity of required reports,
30 particularly at the school level; and

31 (12) Initiating other actions as are necessary to carry out the
32 intent of the General Assembly that a management information system for
33 public school management is essential for school district accountability.
34 Other actions shall be based on criteria including, but not limited to:

35 (A) The purpose of the reporting requirement;

36 (B) The origination of the reporting requirement;

1 (C) The date of origin of the reporting requirement; and

2 (D) The date of repeal of the reporting requirement.

3 (c) The specific responsibilities of each district school system shall
4 include:

5 (1) Establishing, at the district level, a reports-control and
6 forms-control management system committee composed of school administrators
7 and classroom teachers. The district school board shall appoint school
8 administrator members and classroom teacher members. Teachers shall
9 constitute a majority of the committee membership. The committee shall
10 periodically recommend procedures to the district school board for
11 eliminating, reducing, revising, and consolidating paperwork and data
12 collection requirements and shall submit to the district school board an
13 annual report of its findings;

14 (2) With assistance from the Department of Education, developing
15 systems compatibility between the state management information system and
16 unique local systems;

17 (3) Providing, with the assistance of the Department of
18 Education, in-service training dealing with management information system
19 purposes and scope, a method of transmitting input data, and the use of
20 output report information;

21 (4) Establishing a plan for continuous review and evaluation of
22 local management information system needs and procedures;

23 (5) Advising the Department of Education of all district
24 management information needs;

25 (6) Transmitting required data input elements to the appropriate
26 processing locations in accordance with guidelines established by the
27 Department of Education;

28 (7) Determining required reports, comparisons, and relationships
29 to be provided to district school systems by the system output reports,
30 continuously reviewing these reports for usefulness and meaningfulness, and
31 submitting recommended additions, deletions, and change requirements in
32 accordance with the guidelines established by the Department of Education;
33 and

34 (8) Being responsible for the accuracy of all data elements
35 transmitted to the Department of Education.

36

1 6-15-2303. Educational planning and information systems – Rules.
2 The State Board of Education shall adopt any rules necessary to
3 implement these sections pursuant to the Arkansas Administrative Procedures
4 Act, § 25-15-201, et seq.

5
6 (b) A district school board shall receive and review all proposals for
7 an exemplary public school. A district school board must by a majority vote
8 recommend or not recommend a proposal to the State Board of Education for
9 review no later than thirty (30) days after the proposal is received. If a
10 proposal is not recommended, the district school board must, within ten (10)
11 calendar days, articulate in writing the specific reasons based upon good
12 cause supporting its reasons for not recommending the proposal.

13 (c) The Department of Education may provide technical assistance to an
14 applicant upon written request.

15 (d) The terms and conditions for the operation of an exemplary public
16 school shall be set forth in the proposal. Neither the district school board
17 nor the State Board of Education shall fail to recommend or approve a
18 proposal due to or impose unreasonable rules or regulations that violate the
19 intent of giving schools greater flexibility to meet educational goals.

20 (e) The State Board of Education shall receive and review all
21 proposals for an exemplary public school which have been properly reviewed
22 and recommend by the school's district school board. The State Board of
23 Education must by a majority vote approve or deny a proposal no later than
24 thirty (30) calendar days after the proposal is received. If a proposal is
25 denied, the State Board of Education must, within ten (10) calendar days,
26 articulate in writing the specific reasons based upon good cause supporting
27 its denial of the proposal.

28
29 SECTION 17. Arkansas Code Title 6, Chapter 18, Subchapter 9 is amended
30 to add the following section.

31 6-18-902. Student records and reports; rights of parents and students
32 - Notification - Penalty.

33 (a) The purpose of this section is to protect the rights of students
34 and their parents with respect to student records and reports as created,
35 maintained, and used by public educational institutions in the state. The
36 intent of the General Assembly is that students and their parents shall have

1 rights of access, rights of challenge, and rights of privacy with respect to
2 records and reports, and that rules shall be available for the exercise of
3 these rights.

4 (b) Rights of access and rights of privacy. No student records or
5 identifiable student information shall be released except as allowed by the
6 Arkansas Freedom of Information Act, § 25-19-101, et seq., and the Federal
7 Educational Rights and Privacy Act.

8 (c) Right to challenge and hearing. A parent or student shall have
9 the right to challenge the content of any record or report to which such
10 person is granted access under subdivision (c)(1) of this section, in order
11 to ensure that the record or report is not inaccurate, misleading, or
12 otherwise in violation of the privacy or other rights of the student and to
13 provide an opportunity for the correction, deletion, or expunction of any
14 inaccurate, misleading, or otherwise inappropriate data or material contained
15 therein. Any challenge arising under the provisions of this subsection may
16 be settled through informal meetings or discussions between the parent or
17 student and appropriate officials of the educational institution. If the
18 parties at such a meeting agree to make corrections, to make deletions, to
19 expunge material, or to add a statement of explanation or rebuttal to the
20 file, such agreement shall be reduced to writing and signed by the parties;
21 and the appropriate school officials shall take the necessary actions to
22 implement the agreement. If the parties cannot reach an agreement, upon the
23 request of either party, a hearing shall be held on such challenge under
24 rules adopted by the State Board of Education. Upon the request of the
25 parent or student, the hearing shall be exempt from the requirements of the
26 Arkansas Administrative Procedures Act, § 25-15-201, et seq. Such rules
27 shall include at least the following provisions:

28 (A) The hearing shall be conducted within a reasonable
29 period of time following the request for the hearing;

30 (B) The hearing shall be conducted, and the decision
31 rendered, by an official of the educational institution or other party who
32 does not have a direct interest in the outcome of the hearing;

33 (C) The parent or student shall be afforded a full and
34 fair opportunity to present evidence relevant to the issues raised under this
35 subdivision;

36 (D) The decision shall be rendered in writing within a

1 reasonable period of time after the conclusion of the hearing; and
2 (E) The appropriate school officials shall take the
3 necessary actions to implement the decision.
4

5 SECTION 18. Arkansas Code § 6-15-419 is amended to read as follows:
6 6-15-419. Definitions.

7 The following definitions shall apply in this subchapter, unless the
8 context otherwise requires:

9 (1)(A) "Academic improvement plan" means a plan detailing supplemental
10 or intervention and remedial instruction, or both, in deficient academic
11 areas for any student who is not proficient on a portion or portions of the
12 state-mandated criterion-referenced assessments.

13 (B)(i) Such a plan shall be created and implemented by
14 appropriate teachers, counselors, and any other pertinent school personnel.

15 (ii) All academic improvement plans shall be annually
16 reviewed and revised to ensure effectiveness and to ensure student
17 demonstration of proficiency in the targeted academic areas on the next
18 state-mandated criterion-referenced assessments.

19 (iii) A cumulative review of all academic improvement
20 plans shall be part of the data used by the school in creating and revising
21 its comprehensive school plan.

22 (iv) All academic improvement plans shall be subject to
23 review by the Department of Education.

24 (C) In any instance where a student with disabilities identified
25 under the Individuals with Disabilities Education Act has an individualized
26 education program that already addresses any academic area or areas in which
27 the student is not proficient on state-mandated criterion-referenced
28 assessments, the individualized education program shall serve to meet the
29 requirement of an academic improvement plan;

30 (2) "District improvement plan" means a districtwide plan coordinating
31 the actions of the various school improvement plans within a district. The
32 main focus of the district improvement plan shall be to ensure that all
33 students demonstrate proficiency on all portions of state-mandated criterion-
34 referenced assessments;

35 (3) "Early intervention" means short-term, intensive, focused,
36 individualized instruction developed from ongoing, daily, systematic

1 diagnosis that occurs while a child is in the initial, kindergarten through
2 grade one (K-1), stages of learning early reading, writing, and mathematical
3 strategies to ensure acquisition of the basic skills and to prevent the child
4 from developing poor problem-solving habits which become difficult to change.
5 The goal is to maintain a student's ability to function proficiently at grade
6 level;

7 (4) "End of course" means an examination taken at the completion of a
8 course of study to determine whether a student demonstrates attainment of the
9 knowledge and skills necessary to mastery of that subject;

10 (5) "Grade level" means performing at the proficient or advanced level
11 on state-mandated criterion-referenced tests;

12 (6) "High school" means grades nine through twelve (9-12);

13 (7) "Middle level" means grades five through eight (5-8);

14 (8) "Point-in-time intervention and remediation" means intervention
15 and remediation applied during the academic year upon the discovery that a
16 student is not performing at grade level;

17 (9) "Primary" means kindergarten through grade four (K-4);

18 (10)(A)(i) "Remediation" means a process of using diagnostic
19 instruments to provide corrective, specialized, supplemental instruction to
20 help a student in grades two through four (2-4) overcome academic
21 deficiencies.

22 (ii) For students in grades five through twelve (5-12),
23 remediation shall be a detailed, sequential set of instructional strategies
24 implemented to remedy any academic deficiencies indicated by below-basic or
25 basic performance on the state-mandated criterion-referenced assessments.

26 (B) Remediation shall not interfere with or inhibit student
27 mastery of current grade level academic learning expectations;

28 (11) "School improvement plan" means the individual school's
29 comprehensive plan based on priorities indicated by assessment and other
30 pertinent data and designed to ensure that all students demonstrate
31 proficiency on all portions of state-mandated criterion-referenced
32 assessments; ~~and~~

33 (12) "Social promotion" means the passage or promotion from one grade
34 to the next of a student who has not demonstrated knowledge or skills
35 required for grade-level academic proficiency;

36 (13) "Kindergarten through grade twelve (K-12) data warehouse" means a

1 technology-based tool used to gather, integrate, and store all the
2 information used to track and analyze student performance;

3 (14) "Longitudinal tracking" means based on scheduled and annual
4 assessments, tracking individual student yearly academic achievement gains;

5 (15) "Academic Content Standards" means standards which are approved
6 by the State Board of Education and set the skills to be taught and mastery
7 level for each grade and content area;

8 (16) "National Assessment of Educational Progress" means the national
9 assessment program mandated by the No Child Left Behind Act, as such laws may
10 be amended from time to time;

11 (17) "No Child Left Behind Act" means the No Child Left Behind Act of
12 2001 signed into federal law on January 8, 2002;

13 (18) "Statewide Assessment Standards" means the statewide program of
14 educational assessment implemented pursuant to and described in § 6-15-424;

15 (19) "Limited English proficient students" means an individual's
16 limited ability to speak, read, and understand English. Such individuals
17 come from homes where a language other than English is spoken;

18 (20) "English for Speakers of Other Languages program" means an
19 instructional program that is used to teach English to individuals for who
20 English is not their home or heritage language;

21 (21) "Individual education plan or a Section 504 plan" means a written
22 statement for a child with a disability that is developed, reviewed, and
23 revised in a meeting in accordance with 34 CFR 3000.341 through 300.350 and
24 applicable regulations.

25 (22) "Grade inflation rate" means the statistical gap between actual
26 grades assigned for core classes at the secondary level and student
27 performance on corresponding subjects on nationally normed college entrance
28 exams, such as the ACT;

29 (23) "Arkansas Comprehensive Assessment Testing" means the testing
30 component of ACTAAP which shall consist of developmentally appropriate
31 assessments for grades one (1) and two (2), criterion-referenced assessments
32 for grades three (3) through eight (8), norm-referenced assessments for
33 grades three (3) through ten (10), and end-of-course exams for designated
34 grades; provided, however, for grades three (3) through eight (8) at the
35 option of the department of education, the testing component may consist of a
36 norm-referenced test augmented for state standards;

1 (24) "Adequate yearly progress" means that level of academic
2 improvement required of public schools or school districts on the state-
3 mandated criterion-referenced examinations and other indicators as required
4 in the Arkansas Comprehensive Testing, Assessment, and Accountability
5 Program, which shall comply with The Elementary and Secondary Education Act
6 as reauthorized in The No Child Left Behind Act of 2001, 20 U.S.C. § 6301, et
7 seq. (2002);

8 (25) "Annual learning gains" or "student learning gains" means
9 calculating a student's learning gains from one year to the next, based on a
10 same series assessment given in the same time frame from one (1) year to the
11 next, used as a pre-post measure of learning for the content areas tested;

12 (26) "Board of Control for Southern Regional Education" means the
13 entity identified in the Southern Regional Education Compact, § 6-4-101, et
14 seq.

15 (27) "Parent Advisory Council" means the entities established under
16 Title 6, Chapter 13, Subchapter 17;

17 (28) "Reconstitution" means removing school district or school
18 faculty, staff, administration, and, if appropriate, school board members,
19 and replacing them; and

20 (29) "Parent" means a parent, legal guardian, or legal representative,
21 as appropriate, of a student.

22
23 SECTION 19. Arkansas Code Title 6, Chapter 13 is amended to add the
24 following new subchapter:

25 6-13-1701. Parent advisory council – Establishment.

26 Each school shall establish a Parent Advisory Council based on the
27 following tenets:

28 (1) A student's education is a responsibility shared by the school and
29 family during the entire time that he or she spends in school;

30 (2) Schools and parents must work as knowledgeable partners in order
31 to support the goal of the schools to educate all students effectively;

32 (3) Parents are integral components of a school's ability to provide
33 for the educational success of students, although parents and students are
34 diverse in culture, language, and needs;

35 (4) The engagement of parents is essential to improve student
36 achievement; and

1 (5) Schools should foster a safe and secure environment that supports
2 active parental involvement.

3
4 6-13-1702. Parent advisory council – Membership.

5 The Parent Advisory Council shall consist of the school principal and
6 no fewer than six (6) parents or legal guardian, representative of the grade
7 levels, race, gender, and socio-economic status of the school’s population.
8 No parent or legal guardian representative on the Parent Advisory Council may
9 be an employee of that school. Each school shall establish policies
10 regarding individual members’ length of service on the council and filling
11 vacancies. Membership on the council shall be by nomination from the school
12 principal and that school’s organized parent group. The school district
13 board of directors will confirm nominations.

14
15 16-13-1703. Parent advisory council – Meetings.

16 The Parent Advisory Council shall be convened at least quarterly during
17 the school year.

18
19 16-13-1704. Parent advisory council – Roles and responsibilities.

20 The Parent Advisory Council shall recognize the principal as the chief
21 academic and operational officer of the school. It also shall:

22 (1) Annually review the school improvement plan including the
23 disaggregation of achievement data from each tested grade or course in the
24 school as well as the performance of the various student subgroups;

25 (2) Annually review the school’s report card including the narrative
26 of yearly progress based on current state and federal requirements;

27 (3) Make recommendations encouraging regular, two-way meaningful
28 communication with parents and legal guardians such as publishing the
29 school’s process for resolving parental concerns, including whom to approach
30 first and how to develop solutions;

31 (4) Make recommendations regarding the school’s parental involvement
32 program, including activities such as sponsoring seminars to inform parents
33 or legal guardians of high school students about how to be involved in the
34 decisions affecting course selection, career planning, and preparation for
35 postsecondary opportunities, as well as other activities to promote parent
36 participation;

1 (5) Provide input into the development of parental involvement
 2 activities as required in the School Improvement Plan;

3 (6) Make recommendations regarding appropriate professional
 4 development activities to be included as part of the required professional
 5 development for teachers and administrators. These professional activities
 6 shall enhance the understanding of effective parent involvement; and

7 (7) Make recommendations regarding the school's collaboration with
 8 community organizations for the purpose of enhancing student achievement.

9
 10 16-13-1705. Parent advisory council – School roles and
 11 responsibilities.

12 (a) With input from the Parent Advisory Council, each school shall
 13 develop a written parent involvement policy to encourage parents or legal
 14 guardians to participate as full partners in the decisions that affect his or
 15 her child and family. The policy shall be distributed to all parents or
 16 guardians of students in that school.

17 (b) Each school shall annually disseminate through multi-media an
 18 explanation of the appropriate state or federal accreditation standards,
 19 curriculum standards, and assessment and accountability requirements. The
 20 school shall also report how the school complies with those established
 21 standards and requirements.

22
 23 16-13-1706. Parent Advisory Council – Monitoring.

24 The organization of the Parent Advisory Council and its required
 25 activities shall be monitored by the Department of Education during the
 26 official scheduled compliance review of the school.

27
 28 SECTION 20. Arkansas Code § 6-20-1601 through 6-20-1610 are repealed.

29 ~~6-20-1601. Purpose.~~

30 ~~The purpose of this subchapter shall be to improve the capacity of~~
 31 ~~local school districts whose students are not achieving at academically~~
 32 ~~desired levels and local school districts in fiscal distress through targeted~~
 33 ~~assistance coordinated by the Department of Education.~~

34
 35 ~~6-20-1602. Definitions.~~

36 ~~(a) For purposes of this subchapter, a "school district in academie~~

~~1 distress" shall mean any school district whose students do not score at
2 levels established by the Department of Education on:—~~

~~3 (1) The Arkansas Writing Assessment;~~

~~4 (2) The Stanford 8 Achievement Test;~~

~~5 (3) The exit examination administered by the department; or~~

~~6 (4) Any other test approved by the department.~~

~~7 (b) For purposes of this subchapter, a "school district in fiscal
8 distress" shall mean any school district that:~~

~~9 (1) Has a steadily declining balance;~~

~~10 (2) Has not complied with the audit requirements in § 6-20-301~~

~~11 et seq.;~~

~~12 (3) Has failed to comply with a statute that automatically
13 places the school district in fiscal distress; or~~

~~14 (4) Has any other fiscal condition deemed to have a detrimental
15 negative impact on continuation of educational services. All of these
16 determinations for fiscal distress except for subdivision (b)(3) of this
17 section shall be as defined by the department through rules and regulations
18 promulgated by the State Board of Education.~~

~~19
20 6-20-1603. Rules and regulations—State Board of Education.~~

~~21 (a) By March 1, 1996, the State Board of Education shall promulgate
22 rules and regulations to establish and implement a program for identifying,
23 evaluating, assisting, and addressing school districts in fiscal or academic
24 distress.~~

~~25 (b)(1) The state board shall further promulgate rules and regulations
26 by which a school district shall be classified as a Phase I, Phase II, or
27 Phase III district and by which a local school board may appeal to the state
28 board any ruling by the Department of Education that is relative to
29 classification under this subchapter.~~

~~30 (2) An appeal shall be made within thirty (30) days of the
31 ruling, and the state board shall act on the appeal within sixty (60) days.~~

~~32
33 6-20-1604. Rules and regulations—Department of Education.~~

~~34 The Department of Education is hereby authorized to develop indicators
35 of fiscal distress and academic distress in school districts and to
36 promulgate the necessary rules and regulations so that the Director of the~~

1 ~~Department of Education shall provide technical assistance to school~~
2 ~~districts determined by the director to be in fiscal or academic distress and~~
3 ~~shall ensure, to the extent possible, that a fiscal crisis or an academic~~
4 ~~crisis will not interrupt the educational services provided to the students~~
5 ~~of a school district.~~

6
7 ~~6-20-1605. Identification of districts in distress.~~

8 ~~Prior to the beginning of the 1996-1997 school year and each school~~
9 ~~year thereafter, the Department of Education shall identify all school~~
10 ~~districts that are in academic or fiscal distress and shall further document~~
11 ~~any school districts that meet the criteria for academic or fiscal distress~~
12 ~~but which, after investigation, the department determines are not in academic~~
13 ~~or fiscal distress.~~

14
15 ~~6-20-1606. School improvement plan.~~

16 ~~(a) Those school districts identified by the Department of Education~~
17 ~~as being in academic or fiscal distress shall be classified as Phase I school~~
18 ~~districts.~~

19 ~~(b)(1)(A) A district classified as a Phase I school district shall~~
20 ~~develop and file with the department a school improvement plan to address any~~
21 ~~areas in which the school district is experiencing academic or fiscal~~
22 ~~distress as identified by the department.~~

23 ~~(B) If a district does not file a school improvement plan~~
24 ~~with the department, the district shall be immediately classified as a Phase~~
25 ~~II school district.~~

26 ~~(2) The department shall provide technical assistance to any~~
27 ~~district classified as a Phase I district.~~

28 ~~(A) The department shall monitor the progress of school~~
29 ~~districts in Phase I.~~

30 ~~(B) Districts that are implementing school improvement~~
31 ~~plans shall continue to be classified as Phase I school districts for the~~
32 ~~remainder of the school year.~~

33 ~~(C) If the department determines that a district is not~~
34 ~~implementing its school improvement plan according to department regulations,~~
35 ~~the district shall be immediately classified as a Phase II school district.~~

36

~~6-20-1607. Classification of school districts in distress.~~

~~(a)(1) During the 1997-1998 school year and each school year thereafter, the Department of Education shall determine which school districts shall be classified as Phase I districts or Phase II districts.~~

~~(2) A school district may be classified a Phase I district for more than one (1) year.~~

~~(b) No Phase I or Phase II district shall incur additional debt without the approval of the department.~~

~~(c)(1) During the 1997-1998 school year and each school year thereafter, only those districts classified as Phase II districts by the Director of the Department of Education shall be required to receive on-site technical assistance by a team of educators assigned by the department to work directly with the districts.~~

~~(2) During the first six (6) months of the school year in which a district is classified as a Phase II district, the department team shall evaluate and make recommendations to the district superintendent regarding the staffing of the district and concerning fiscal or academic policies or practices of the district if necessary to address the fiscal or academic distress of the district as defined by the department.~~

~~(3)(A) The recommendations of the department shall be binding on the district, the superintendent, and the school board; provided, however, that it shall be the duty of the district to follow all Arkansas laws.~~

~~(B) A district classified as a Phase II school district that fails to follow recommendations of the department shall be immediately classified as a Phase III school district.~~

~~(d) At the conclusion of the 1997-98 school year, and each year thereafter, the department shall report the progress of all districts classified as Phase II school districts to the State Board of Education.~~

~~6-20-1608. Limitation on Department of Education's authority.~~

~~The Department of Education shall not take over the operation of a Phase I or Phase II school district.~~

~~6-20-1609. Phase III school districts.~~

~~(a) Those school districts that do not meet the Department of Education's criteria for repeating procedures set forth for Phase II and~~

1 ~~those districts that did not follow the recommendations of the department for~~
2 ~~Phase II school districts shall be classified as Phase III school districts.~~

3 ~~(b) During the 1998-1999 school year and each year thereafter until~~
4 ~~the school district is no longer classified as a Phase III district, the~~
5 ~~department shall have the following authority in dealing with any district~~
6 ~~classified as a Phase III school district:~~

7 ~~(1) To require the superintendent to relinquish all authority~~
8 ~~with respect to the district, to appoint an individual to operate the~~
9 ~~district under the supervision of the Director of the Department of~~
10 ~~Education, and to compensate non-department employees for operating the~~
11 ~~district using the salary formerly given to the district superintendent;~~

12 ~~(2) To have all the powers and duties of the local school board~~
13 ~~under § 6-13-620;~~

14 ~~(3) To determine that it is in the best interests of the~~
15 ~~students in the district to continue operation of the district or that~~
16 ~~annexation to an adjacent district or districts is necessary;~~

17 ~~(4) To call for the election of a new school board for the~~
18 ~~district, in which case the district shall reimburse the county board of~~
19 ~~election commissioners for election costs as otherwise required by law;~~

20 ~~(5) To allow the district to operate without a local school~~
21 ~~board under the supervision of the local school district administration;~~

22 ~~(6) To turn the administration of the district over to the~~
23 ~~former board or to a newly elected school board; and~~

24 ~~(7) To waive the application of Arkansas law, with the exception~~
25 ~~of §§ 6-17-1501 et seq. and 6-17-1701 et seq. or department rules and~~
26 ~~regulations.~~

27
28 ~~6-20-1610. Annexation—Appeals.~~

29 ~~(a) If it is in the best interests of students in a district~~
30 ~~classified as a Phase III school district to be annexed to another district~~
31 ~~or districts, as determined by the Department of Education, the department~~
32 ~~shall hold a public hearing to discuss the annexation of the district.~~

33 ~~(b) After the public hearing, the State Board of Education may annex~~
34 ~~the district to another district or districts upon a majority vote of the~~
35 ~~members of the state board.~~

36 ~~(c) If the state board annexes the district, the state board shall~~

1 ~~have exclusive authority to determine the boundary lines of the new district~~
2 ~~or districts and to allocate the assets and liabilities of the district.~~

3 ~~(d) Any district that appeals the decision of the state board in~~
4 ~~regard to annexation shall file the appeal in Pulaski County Circuit Court.~~
5 ~~Jurisdiction and venue shall not lie in any other court or the circuit court~~
6 ~~in the county where the administrative office of the district is located.~~

7
8 SECTION 21. Arkansas Code § 6-20-1802 is amended to read as follows:

9 6-20-1802. ~~Fiscal distress~~ Non-Compliance for failure to file.

10 (a) Any school district failing to file an audit report required by §
11 6-20-1801 within the eighteen-month time period shall automatically be
12 considered by the Department of Education to be in ~~fiscal distress~~ non-
13 compliance and mandated consequences of § 6-15-1901 shall be enforced.

14 (b) By January 31 of each year, the department, by certified mail,
15 shall notify school districts failing to file required audit reports that the
16 school district is considered in ~~fiscal distress~~ non-compliance.

17
18 SECTION 22. Effective Date.

19 Unless otherwise provided herein, this act shall be come effective on
20 July 1, 2004.

21
22 SECTION 23. EMERGENCY CLAUSE. It is found and determined by the
23 General Assembly of the State of Arkansas that the Arkansas Supreme Court in
24 Lake View School District No. 25 v. Huckabee, 351 Ark. 31 (2002) has declared
25 the now extent system of education to be unconstitutional because it is both
26 inequitable and inadequate; that the Arkansas Supreme Court has set forth the
27 test for a constitutional system to be one in which the State has an
28 "absolute duty" to provide and "equal opportunity to an adequate education";
29 that the Arkansas Supreme Court has instructed the General Assembly to define
30 and provide what is necessary to provide an adequate and equitable education
31 for the children of Arkansas, forthwith. Therefore, an emergency is declared
32 to exist and this act being immediately necessary for the preservation of the
33 public peace, health, and safety shall become effective on:

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

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

1 or

2 (3) If the bill is vetoed by the Governor and the veto is overridden, the
3 date the last house overrides the veto.

4

5 /s/ Hardwick, et al

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36