

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
2 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: S4/1/05 S4/7/05

A Bill

SENATE BILL 939

5 By: Senator Broadway
6
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE PUBLIC SCHOOL FUNDING ACT OF
10 2003; AND FOR OTHER PURPOSES.

Subtitle

11 AN ACT TO AMEND THE PUBLIC SCHOOL
12 FUNDING ACT OF 2003.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

18
19 *SECTION 1. Arkansas Code § 6-20-2303 is amended to read as follows:*
20 *6-20-2303. Definitions.*

21 *As used in this subchapter:*

22 (1) *“Additional education categories” means state funds*
23 *distributed to school districts for alternative learning environments,*
24 *English language learners, national school lunch students, and professional*
25 *development, ~~and technology~~;*

26 (2)(A) *“Alternative learning environment” means a student*
27 *intervention program in compliance with §§ 6-18-508 and 6-18-509 that seeks*
28 *to eliminate traditional barriers to learning for students.*

29 (B) *The State Board of Education shall promulgate rules*
30 *that explicate not only which alternative learning environment programs shall*
31 *qualify for funding, but also the characteristics of students who qualify for*
32 *funding because they have been placed in an alternative learning environment*
33 *program;*

34 (3)(A) *“Average daily membership” means the total number of days*
35 *of school attended plus the total number of days absent by students in grades*
36 *kindergarten through twelve (K-12) during the first three (3) quarters of*



1 each school year divided by the number of school days actually taught in the
2 school district during that period of time rounded up to the nearest
3 hundredth.

4 (B) In those instances in which the average daily
5 membership for fewer than three (3) quarters is specified, the number of days
6 used in the calculation shall be the days in the specified period of time.

7 (C) As applied to this subchapter, students who may be
8 counted for average daily membership are:

9 (i) Students who reside within the boundaries of the
10 school district and who are enrolled in a public school operated by the
11 school district ~~or a private school for special education students with their~~
12 ~~attendance resulting from a written tuition agreement approved by the~~
13 ~~Department of Education;~~

14 (ii) Legally transferred students living outside the
15 school district but attending a public school in the school district under a
16 provision of the Arkansas Code; and

17 (iii) Students who are eligible to attend and reside
18 within the boundaries of a school district and who are enrolled in the
19 Arkansas National Guard Youth Challenge Program, so long as the students are
20 participants in the program.

21 (D)(i) Except for those circumstances otherwise allowed by
22 law or rule, any student who is absent from daily attendance for more than
23 ten (10) consecutive school days shall be dropped from the attendance records
24 of the school, school district, or open-enrollment charter school.

25 (ii) Any student who fails to attend school by the
26 tenth regular school day of the semester shall be retroactively dropped from
27 the first day of the school semester.

28 (E)(i) Except as otherwise provided by law, a public
29 school district or open-enrollment charter school that teaches a distance
30 learning course to one (1) or more home school or private school students
31 shall be eligible for an amount equal to one-sixth (1/6) of the state
32 foundation funding amount per distance learning course for each private
33 school student or home school student who is:

34 (a) Residing within the school district where
35 the public school or open-enrollment charter school is located; and

36 (b) Physically attending the distance learning

1 course or courses on the campus of the public school district or open-
 2 enrollment charter school.

3 (ii) However, under no circumstances shall a public
 4 school district or open-enrollment charter school be entitled to more than
 5 the equivalent of state foundation funding for one (1) average daily
 6 membership regardless of the number of distance learning courses received by
 7 a particular home school or private school student;

8 (4) "Classroom teacher" means:

9 (A) An individual who is required to hold a teaching
 10 license from the Department of Education and who is engaged directly in
 11 instruction with students in a classroom setting for more than seventy
 12 percent (70%) of the individual's contracted time;

13 (B) A guidance counselor; or

14 (C) A librarian;

15 ~~(5) "Debt service funding" means the state financial aid provided~~
 16 ~~to qualifying school districts for the purpose of reducing existing debt~~
 17 ~~service burdens;~~

18 ~~(6)~~(5) "English language learners" means students identified by
 19 the State Board of Education as not proficient in the English language based
 20 upon approved English proficiency assessment instruments administered
 21 annually in the fall of the current school year, which assessments measure
 22 oral, reading, and writing proficiency;

23 ~~(7)~~(6) "Foundation funding" means an amount of money specified
 24 by the General Assembly for each school year to be expended by school
 25 districts for the provisions of an adequate education for each student;

26 ~~(8) "General facility funding" means the state financial aid~~
 27 ~~provided to each school district from funds made available for that line item~~
 28 ~~purpose;~~

29 ~~(9)~~(7) "Gifted and talented programs" means academic curricula,
 30 courses, and options designed to improve educational opportunities for gifted
 31 and talented students pursuant to guidelines adopted by the State Board of
 32 Education in accordance with § 6-42-106;

33 ~~(10)~~(8) "Gifted and talented students" means those students who
 34 have been identified as meeting the criteria of the gifted program approval
 35 standards established by the State Board of Education;

36 ~~(11)~~(9) "Legal revenues" means ~~the revenues of a school~~

1 ~~district, including current balances, unrestricted state and local funding~~
2 ~~for the current school year, proceeds from a revolving loan pursuant to § 6-~~
3 ~~20-801 et seq., proceeds from commercial bonds pursuant to § 6-20-1201 et~~
4 ~~seq., and proceeds from funds received pursuant to § 6-20-402; those revenues~~
5 received or cash balances carried forward by a school district and used to
6 make payments from:

7 (A) The teacher's salary fund, which means the set of
8 accounts used to record the receipts and expenditures for payment of salaries
9 for certified personnel, certified substitutes, tuition, and fringe benefits
10 as defined by § 6-17-908. Certified personnel salaries from federal programs
11 are excluded;

12 (B) The operating fund, which means the set of accounts
13 used to record the receipts and expenditures for current operating expenses
14 other than those that relate to the purposes set out for other funds; and

15 (C) The debt service fund, which means the set of accounts
16 used to record local tax receipts and expenditures for the retirement of
17 commercially bonded debt;

18 ~~(12) "Mandatory callable bonds" means a bond issue in which all~~
19 ~~net proceeds from debt service millage used to secure the issuance of that~~
20 ~~bond must be applied to payment of the issue and cannot be used for any other~~
21 ~~purposes;~~

22 ~~(13)~~(10) "Millage rate" means the millage rate listed in the
23 most recent tax ordinance approved by the county quorum court under the
24 authority of § 14-14-904;

25 ~~(14)~~(11) "Miscellaneous funds" means those ~~average~~ funds
26 collected either in the average of the previous five (5) school years or the
27 previous school year, whichever is less, from funds received by a school
28 district from federal forest reserves, federal grazing rights, federal
29 mineral rights, federal impact aid, federal flood control, wildlife refuge
30 funds, severance taxes, funds received by the school district in lieu of
31 taxes, and local sales and use taxes dedicated to education pursuant to §§
32 26-74-201 et seq., 26-74-301 et seq., 26-75-301 et seq., and 14-164-301 et
33 seq.;

34 ~~(15)~~(12)(A) "National school lunch students" means those
35 students or the percentage of enrolled students from low socioeconomic
36 backgrounds as indicated by eligibility for free or reduced-priced meals

1 under the National School Lunch Act as ~~calculated~~ determined on October 1 of
2 each previous school year and submitted to the Department of Education,
3 unless the school district is identified by the Department of Education as
4 participating in the special assistance certification and reimbursement
5 alternative implemented under 42 U.S.C. § 1759a, as interpreted in 7 C.F.R. §
6 245.9.

7 (B) If the school district is participating under 42
8 U.S.C. § 1759a, then for purposes of funding under § 6-20-2305(b), such a
9 school district's annual percentage of national school lunch students shall
10 be equal to the percentage submitted in the base year, which means the last
11 school year for which eligibility determinations were made and meal counts
12 were taken by type;

13 ~~(16)~~(13) "Previous year" or "previous school year" means the
14 school year immediately preceding the school year or fiscal year in which
15 funds are allocated;

16 ~~(17)~~(14)(A) "Professional development" means a coordinated set
17 of planned learning activities for teachers and administrators that are
18 standards-based.

19 (B) Professional development shall result in individual,
20 schoolwide, and systemwide improvement designed to ensure that all students
21 demonstrate proficiency in the state academic standards;

22 ~~(18)~~(15) "School district" means a geographic area with an
23 elected board of directors that qualifies as a taxing unit for purposes of ad
24 valorem property taxes under title 26 of the Arkansas Code and which board
25 conducts the daily affairs of public schools pursuant to the supervisory
26 authority vested in it by the General Assembly and title 6 of the Arkansas
27 Code;

28 ~~(19)~~(16) "Secondary vocational area center" means a public
29 secondary vocational institution organized for the specific purpose of
30 educating high school students in specific occupational or vocational areas
31 and serving students from more than one (1) participating school district;

32 ~~(20)~~(17) "Special education catastrophic occurrences" means
33 individual cases where special education and related services required by the
34 individualized education program of a particular student with disabilities
35 are unduly expensive, extraordinary, or beyond the routine and normal costs
36 associated with special education and related services provided by a school

1 district and funding is pursuant to rules promulgated by the State Board of
2 Education;

3 ~~(21)~~(18) "State foundation funding aid" means the amount of
4 state financial aid provided to each school district and computed as the
5 difference between the foundation funding amount established by the General
6 Assembly and the sum of ninety-eight percent (98%) of the uniform rate of tax
7 multiplied by the property assessment of the school district plus seventy-
8 five percent (75%) of the miscellaneous funds of the school district;

9 ~~(22)~~(19)(A) "Student growth funding" means the amount of state
10 financial aid provided to each school district from funds made available for
11 that purpose.

12 (B) For school year ~~2004-2005~~ years 2005-2006 and 2006-
13 2007, student growth funding is calculated as five thousand four hundred
14 dollars (\$5,400) multiplied by the increase, if any, in the school district's
15 two-quarter average of the average daily membership of the current school
16 year over the local school district's two-quarter average of the average
17 daily membership for the previous school year, excluding any increase
18 resulting solely from consolidation or annexation with another school
19 district;

20 ~~(23)~~(20) "Teachers of the gifted and talented" means individuals
21 certified by the State Board of Education to teach identified gifted and
22 talented students;

23 ~~(24)~~(21) "Technology" means any equipment for instructional
24 purposes that is electronic in nature, including, but not limited to,
25 computer hardware, computer software, Internet connectivity, and distance
26 learning; and

27 ~~(25)~~(22) "Uniform rate of tax" means a uniform rate of ad
28 valorem property tax of twenty-five (25) mills to be levied on the assessed
29 value of all taxable real, personal, and utility and regulated carrier
30 property in the state to be used solely for the maintenance and operation of
31 the public schools as required by Arkansas Constitution, ~~Amendment 74~~ Article
32 14, Section 3 (as amended by Amendments 11, 40, and 74).

33

34 SECTION 2. Arkansas Code § 6-20-2305 is amended to read as follows:
35 6-20-2305. School funding.

36 (a)(1) For each school year, a school district shall receive state

1 foundation funding aid computed as the difference between the foundation
2 funding amount pursuant to subdivision (a)(2) of this section and the sum of
3 ninety-eight percent (98%) of the uniform rate of tax multiplied by the
4 property assessment of the school district plus seventy-five percent (75%) of
5 miscellaneous funds of the school district.

6 (2)(A) For the ~~2004-2005~~ 2005-2006 school year, the foundation
7 funding amount is equal to five thousand four hundred dollars (\$5,400)
8 multiplied by the average daily membership of the previous school year.

9 (B) For the 2006-2007 school year, the foundation funding
10 amount is equal to five thousand four hundred ninety seven dollars (\$5,497)
11 multiplied by the average daily membership of the previous school year.

12 (b)(1) In addition to state foundation funding aid, each school
13 district shall receive funding for additional education categories as
14 provided in subdivisions (b)(2)-(6) of this section.

15 (2)(A) For ~~the 2004-2005 school year~~ school years 2005-2006 and
16 2006-2007, alternative learning ~~environmental~~ environment funding and
17 secondary vocational area center funding shall be three thousand two hundred
18 fifty dollars (\$3,250) multiplied times:

19 (i) The number of identified alternative learning
20 environment students enrolled during the ~~2003-2004~~ previous school year; and

21 (ii) The number of students enrolled in a secondary
22 vocational area center during the ~~2003-2004~~ previous school year.

23 (B) Funding for students in alternative learning
24 environments shall be distributed based on rules promulgated by the State
25 Board of Education.

26 (C) Funding for students in secondary vocational area
27 centers shall be distributed based on rules promulgated by the State Board of
28 Workforce Education and Career Opportunities.

29 (3)(A) For ~~the 2004-2005 school year~~ school years 2005-2006 and
30 2006-2007, the English-language learners funding shall be one hundred ninety-
31 five dollars (\$195) for each identified English-language learner.

32 (B) Funding for English-language learner students shall be
33 distributed to school districts for students who have been identified as not
34 proficient in the English language based upon a state-approved English
35 proficiency assessment instrument.

36 (C) Funds allocated for English language learners to

1 school districts under this subchapter shall be expended only for eligible
2 activities as identified in current rules promulgated by the state board.

3 (4)(A) For ~~the 2004-2005 school year~~ school years 2005-2006 and
4 2006-2007, national school lunch student funding for each identified national
5 school lunch student shall be as follows:

6 (i) For school districts in which ninety percent
7 (90%) or greater of the previous school year's enrolled students are national
8 school lunch students, funding shall be one thousand four hundred forty
9 dollars (\$1,440);

10 (ii) For school districts in which at least seventy
11 percent (70%) but less than ninety percent (90%) of the previous school
12 year's enrolled students are national school lunch students, funding shall be
13 nine hundred sixty dollars (\$960); and

14 (iii) For school districts in which less than
15 seventy percent (70%) of the previous school year's enrolled students are
16 national school lunch students, funding shall be four hundred eighty dollars
17 (\$480).

18 (B)(i) Funding under this subdivision (b)(4) for national
19 school lunch students shall be based ~~on the number of students eligible for a~~
20 ~~free or reduced price lunch program under the National School Lunch Act~~
21 ~~identified on the Arkansas public school computer network cycle two report on~~
22 the percentage determined under § 6-20-2303(12)(A) multiplied by the number
23 of the previous school year's enrolled students.

24 (ii)(a) A school district that has experienced a
25 significant growth in enrolled students in the previous three (3) years shall
26 receive funding for the expected increase in the number of national school
27 lunch students based on the expected increase in enrolled students based on
28 the levels of funding provided in this section for national school lunch
29 students.

30 (b) The State Board of Education shall
31 establish rules to be used by the Department of Education to determine:

32 (1) The amount of growth necessary to
33 qualify as significant growth;

34 (2) The expected increase in the number
35 of national school lunch students based on the expected increase in enrolled
36 students; and

1 (3) Which school districts have
2 experienced a significant growth in enrolled students as necessary to qualify
3 for funding under this subdivision (b)(4)(B)(ii).

4 (c) The Department of Education shall not be
5 required to adjust or fund a school district's national school lunch students
6 based on the current year's number of national school lunch students enrolled
7 in the district or the average growth of students in the district.

8 (C)(i) The State Board of Education shall establish by
9 rule a list of approved programs and purposes for which funds allocated under
10 this subdivision (b)(4) may be expended. School districts shall expend funds
11 allocated under this subdivision (b)(4) only on the approved programs or
12 purposes, which include, but are not limited to:

13 (a) Classroom teachers, provided that the
14 school district meets the minimum salary schedule in § 6-17-2403 without
15 using funds provided under subdivision (b)(4) of this section and those
16 teachers are used for the purposes delineated in subdivision (b)(4) of this
17 section;

18 (b) Before-school academic programs and after-
19 school academic programs, including transportation to and from the programs;

20 (c) Prekindergarten programs coordinated by
21 the Department of Human Services;

22 (d) Tutors, teachers' aides, counselors,
23 social workers, nurses, and curriculum specialists;

24 (e) Parent education;

25 (f) Summer programs;

26 (g) Early intervention programs; and

27 (h) Materials, supplies, and equipment,
28 including technology used in approved programs or for approved purposes.

29 (ii) However, notwithstanding any other provision of
30 law, if the Department of Education determines that a school district's
31 expenditure of funds allocated under this subdivision (b)(4) would result in
32 the school district losing funding under any federal law, then the funds
33 allocated to a school district under this subdivision (b)(4) may be expended
34 for other academic programs or salaries.

35 (iii) The department may direct that a school
36 district expend available funds on specified programs under subdivision

1 (b)(4)(C)(i) of this section.

2 (D) By the end of each school year, each school district
3 shall submit to the department a report listing each program upon which funds
4 allocated under this subdivision (b)(4) were expended, the amount expended,
5 and any other information required by the department. The department shall
6 develop appropriate reporting forms for use by school districts.

7 (5)(A) Professional development funding for ~~the 2004-2005~~ school
8 years 2005-2006 and 2006-2007 year shall be equal to an amount of up to fifty
9 dollars (\$50.00) multiplied by the school district's previous school year
10 average daily membership.

11 (B) Funding for professional development for teachers in
12 Arkansas public schools ~~may~~ shall be used for professional development
13 training conferences, materials, and other professional development
14 activities as outlined in rules promulgated by the state board.

15 ~~(c)(1) General facilities funding, debt service funding, isolated~~
16 Isolated funding under § 6-20-601, student growth funding, and special
17 education-catastrophic occurrences funding shall be allocated and funded to
18 school districts in a line item appropriation within the Public School Fund
19 pursuant to law or rules promulgated by the State Board of Education.

20 ~~(2) A school district shall only use general facilities funding~~
21 ~~for:~~

22 ~~(A) The purchase of school buses, furniture, equipment,~~
23 ~~and computer software;~~

24 ~~(B) The renovation or repairs of existing facilities; or~~

25 ~~(C) The repayment of commercial bonds or revolving loans.~~

26 (d) The sum of subsections (a)-(c) of this section shall be the total
27 state aid allocated and funded to school districts pursuant to this section.

28 (e) Funds distributed to school districts under subsection (b) of this
29 section shall be expended on:

30 (1) The students within each category of special needs for which
31 the funds were allocated;

32 (2) Any students within any category of special needs under
33 subsection (b) of this section as permitted by rules issued by the State
34 Board of Education; or

35 (3) If the Department of Education determines that a school
36 district's expenditure of funds allocated under subsection (b) of this

1 section would result in the school district losing funding under any federal
2 law, then the funds allocated to a school district under subsection (b) of
3 this section may be expended for other academic programs or salaries as
4 permitted by the Department of Education.

5 (f) In order for a school district to be entitled to state funds under
6 the provisions of this subchapter, each school district shall satisfy the
7 following requirements:

8 (1) Expenditures for any fiscal year shall not exceed the legal
9 revenues for that fiscal year;

10 (2) The school district shall maintain records and make reports
11 relative to attendance, receipts, and disbursements and other reports as
12 required by the department for the administration of this subchapter;

13 (3) The school district shall maintain proper financial records
14 in accordance with the state's school accounting manual and regulations
15 promulgated by the state board;

16 (4)(A) Each school year the school district shall file with the
17 state board a salary schedule for its certified employees that recognizes a
18 minimum level of training and experience.

19 (B) The schedule shall reflect the actual pay practices of
20 the school district, including all fringe benefits.

21 (C) Salary increments for experience or education, or
22 both, shall be identified on the schedule; and

23 (5)(A) All pupil attendance records shall be kept in their
24 original form and shall be public records.

25 (B) The records shall be kept according to law and
26 regulations on paper or electronic forms either furnished or approved by the
27 department.

28 (C) Original attendance records shall be kept on file in
29 the office of the superintendent of the school district after the school term
30 has ended for a period of three (3) school years and shall be available for
31 monitoring purposes during any day of the school term for the teachers or
32 other persons designated to keep attendance.

33 (g) By the end of each school year, each school district shall submit
34 to the department a report listing each program upon which funds allocated
35 under subsection (b) of this section were expended, the amount expended, and
36 any other information required by the department. The department shall

