

State of Arkansas

86th General Assembly

Regular Session, 2007

# A Bill

HOUSE BILL 1632

By: Representatives Kenney, Abernathy, Berry, Blount, T. Bradford, Cheatham, Cook, Dickinson, Everett, Harris, J. Johnson, Lamoureux, M. Martin, Norton, Petrus, Pickett, Rainey, Rosenbaum, Saunders, Walters, Wood, Wagner

By: Senators Broadway, Critcher, Baker, Bookout, B. Johnson, Wilkins, Womack, Argue, Bisbee

## For An Act To Be Entitled

AN ACT TO AMEND THE PUBLIC SCHOOL FUNDING ACT OF 2003 TO INCREASE THE AMOUNT OF PER STUDENT FOUNDATION FUNDING AND CATEGORICAL FUNDING; TO ENSURE THAT EVERY PUBLIC SCHOOL DISTRICT IN THE STATE RECEIVES THE FULL AMOUNT OF FOUNDATION FUNDING; AND FOR OTHER PURPOSES.

## Subtitle

AN ACT TO AMEND THE PUBLIC SCHOOL FUNDING ACT OF 2003 AND TO ENSURE THAT EVERY PUBLIC SCHOOL DISTRICT IN THE STATE RECEIVES THE FULL AMOUNT OF FOUNDATION FUNDING.

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

SECTION 1. Arkansas Code § 6-20-2303(19), concerning the definition of growth funding for public schools, is amended to read as follows:

(19)(A) ~~"Student~~ "ADM growth funding" means the amount of state financial aid provided to each school district from funds made available for ~~that purpose~~ the growth in the average daily membership for the school district.

(B) ~~For school years 2005-2006 and 2006-2007, student~~ ADM growth funding is calculated as five thousand four hundred dollars (\$5,400)



multiplied by the increase, if any, in the school district's two-quarter average of the average daily membership of the current school year over the local school district's two-quarter average of the average daily membership for the previous school year, excluding any increase resulting solely from consolidation or annexation with another school district;

SECTION 2. Arkansas Code § 6-20-2305(a) through (b)(4)(A), concerning foundation funding and categorical funding, are amended to read as follows:

(a)(1)(A) For each school year, each public school district shall receive state foundation funding aid computed as the difference between the foundation funding amount pursuant to subdivision (a)(2) of this section and the sum of ninety-eight percent (98%) of the actual taxes collected based on the uniform rate of tax multiplied by the property assessment of the school district for the public school district plus seventy-five percent (75%) of miscellaneous funds of the public school district.

(B) On or before March 31 of each year, the Assessment Coordination Division shall compute for each public school district the actual taxes collected based on the uniform rate of tax for the calendar year preceding the end of the school fiscal year.

(C) State foundation funding aid shall be distributed to each public school district by the Department of Education in eleven (11) monthly payments as follows:

(i) The first eight (8) payments, beginning in August of each school fiscal year, shall be distributed based on the following steps:

(a) First, multiplying ninety-eight percent (98%) of the uniform rate of tax by the public school district's property assessment;

(b) Next, adding the product in subdivision (a)(1)(C)(i)(a) of this section to seventy-five percent (75%) of miscellaneous funds of the public school district as of the March 15 preceding the beginning of the public school district's fiscal year;

(c) Next, subtracting the sum in subdivision (a)(1)(C)(i)(b) of this section from the foundation funding pursuant to subdivision (a)(2) of this section; and

(d) Finally, dividing the difference in

subdivision (a)(1)(C)(i)(c) of this section by eleven (11).

(ii) The remaining three (3) monthly payments shall be distributed based on the following steps:

(a) First, adding the actual taxes collected as computed in subdivision (a)(1)(B) of this section to seventy-five percent (75%) of the miscellaneous funds of the school district as of the March 15 preceding the beginning of the school fiscal year;

(b) Next, subtracting the sum in subdivision (a)(1)(C)(ii)(a) of this section from the foundation funding pursuant to subdivision (a)(2) of this section;

(c) Next, subtracting the eight previous payments under subdivision (a)(1)(C)(i) of this section from the difference in subdivision (a)(1)(C)(ii)(b) of this section; and

(d) Finally, dividing the difference in subdivision (a)(1)(C)(ii)(c) of this section by three (3).

~~(2)(A) For the 2005-2006 school year, the foundation funding amount is equal to five thousand four hundred eighty six dollars (\$5,486) multiplied by the district's average daily membership for the previous school year.~~

~~(B)(A) For the 2006-2007~~ 2007-2008 school year, the foundation funding amount is equal to ~~five thousand six hundred twenty dollars (\$5,620)~~ five thousand six hundred ninety dollars (\$5,690) multiplied by the district's average daily membership for the previous school year.

(B) For the 2008-2009 school year and each school year thereafter, the foundation funding amount is equal to five thousand seven hundred sixty dollars (\$5,760) multiplied by the school district's average daily membership for the previous school year.

~~(C) For the 2005-2006 school year and the 2006-2007 school year, the foundation funding amount provided under subdivisions (a)(2)(A) and (B) of this section shall be increased by forty two dollars (\$42.00) multiplied by the district's average daily membership for the previous school year to pay for increased school district costs resulting from the 2005-2006 and 2006-2007 increases in the employer's rate of contribution to the Arkansas Teacher Retirement System from thirteen percent (13%) to fourteen percent (14%).~~

(3)(A) During the ~~2006-2007~~, school year, a A school district

with an average daily membership that is less than the school district's previous year's average daily membership shall receive:

(i) Declining enrollment funding equal to the difference between the average of the two (2) immediately preceding years' average daily memberships and the average daily membership for the previous school year;

(a) For the 2007-2008 school year, multiplied by five thousand six hundred ninety dollars (\$5,690); and

(b) For the 2008-2009 school year and each school year thereafter, multiplied by five thousand seven hundred sixty dollars (\$5,760); or

(ii) Special needs isolated funding under § 6-20-604.

(B) Any funding appropriated and available for declining enrollment funding under subdivision (a)(3)(A)(i) of this section or special needs isolated funding under § 6-20-604 that is not distributed under subdivision (a)(3)(A) of this section shall be prorated and distributed equally per average lost student to school districts that meet the qualifications for both declining enrollment funding under subsection (a)(3)(A)(i) of this section and special needs isolated funding under § 6-20-604.

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

(2)(A) ~~For school years 2005-2006 and 2006-2007~~ Beginning with the 2007-2008 school year, alternative learning environment funding and secondary vocational area center funding shall be ~~three thousand two hundred fifty dollars (\$3,250)~~ four thousand sixty-three dollars (\$4,063) multiplied by:

(i) The number of identified alternative learning environment students enrolled during the previous school year; and

(ii) The number of students enrolled in a secondary vocational area center during the previous school year.

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

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

(3)(A) ~~For school years 2005-2006 and 2006-2007, the English-language learners funding~~ Beginning with the 2007-2008 school year, funding for students who are identified as English-language learners shall be one hundred ninety-five dollars (\$195) two hundred ninety-three dollars (\$293) for each identified English-language learner.

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

(C) Funds allocated for English-language learners to school districts under this subchapter shall be expended only for eligible activities as identified in current rules promulgated by the State Board of Education and are to be used as a supplement to funding for national school lunch students provided in subdivision (b)(4) of this section.

(4)(A) ~~For school years 2005-2006 and 2006-2007~~ Beginning with the 2007-2008 school year, national school lunch student funding for each identified national school lunch student shall be as follows:

(i) For a school ~~districts~~ district in which ninety percent (90%) or greater of the previous school year's enrolled students are national school lunch students, funding shall be ~~one thousand four hundred forty dollars (\$1,440)~~ one thousand four hundred eighty-eight dollars (\$1,488);

(ii) For school districts in which at least seventy percent (70%) but less than ninety percent (90%) of the previous school year's enrolled students are national school lunch students, funding shall be ~~nine hundred sixty dollars (\$960)~~ nine hundred ninety-two dollars (\$992); and

(iii) For school districts in which less than seventy percent (70%) of the previous school year's enrolled students are national school lunch students, funding shall be ~~four hundred eighty dollars (\$480)~~ four hundred ninety-six dollars (\$496).

SECTION 3. Arkansas Code § 6-20-2305(b)(5), concerning categorical

1 funding for professional development, is amended to read as follows:

2 (5)(A)(i) Beginning with school year 2007-2008, Professional  
 3 professional development funding ~~for school years 2005-2006 and 2006-2007~~  
 4 shall be equal to an amount of up to fifty dollars (\$50.00) multiplied by the  
 5 school district's previous school year average daily membership.

6 (ii) The Department of Education shall allocate  
 7 funding for professional development as follows:

8 (a) To each school district, forty-one and  
 9 11/100 dollars (\$41.11) per pupil, based on the school district's average  
 10 daily membership for the preceding school year; and

11 (b) To the Department of Education, eight and  
 12 89/100 dollars (\$8.89) multiplied by the total average daily membership of  
 13 all school districts for the previous school year.

14 (B) Funding for professional development for teachers in  
 15 Arkansas public schools shall be used for professional development ~~training~~  
 16 ~~conferences, materials, and other professional development activities and~~  
 17 materials that improve the knowledge of teachers concerning effective  
 18 instructional strategies, methods, and skills for improving teaching  
 19 practices and student academic achievement as outlined in rules promulgated  
 20 by the State Board of Education.

21  
 22 SECTION 4. Arkansas Code § 6-20-2305(c), concerning certain  
 23 appropriations for school funding, is amended to read as follows:

24 (c) Isolated funding under § 6-20-601, ~~student ADM~~ growth funding, and  
 25 special education-catastrophic occurrences funding shall be allocated and  
 26 funded to school districts in a line item appropriation within the Public  
 27 School Fund pursuant to law or rules promulgated by the State Board of  
 28 Education.

29  
 30 SECTION 5. Arkansas Code § 6-20-2305, concerning foundation funding  
 31 for public schools, is amended to add an additional subsection (h) to read as  
 32 follows:

33 (h) A school district shall spend an amount equal to at least twenty-  
 34 seven dollars (\$27.00) per pupil of the foundation funding amount provided to  
 35 the school district pursuant to subsection (a) of this section for the  
 36 payment of insurance premiums on a policy of property insurance covering

buildings and contents of public school districts for loss or damage.

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