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.

State of Arkansas
86th General Assembly

## As Engrossed: H2/28/07

A Bill
Regular Session, 2007
HOUSE BILL 1726

By: Representatives Kenney, Abernathy

## For An Act To Be Entitled

AN ACT IN CONCORDANCE WITH THE 2006 ACT 57 STUDY; TO ASSIST SCHOOL DISTRICTS WITH THE TRANSITION BETWEEN LEVELS OF CATEGORICAL FUNDING FOR NATIONAL SCHOOL LUNCH STUDENTS BY PROVIDING A METHOD OF TRANSITIONAL FUNDING DURING A THREEYEAR PERIOD; AND FOR OTHER PURPOSES.

## Subtitle

> AN ACT TO ASSIST SCHOOL DISTRICTS WITH THE TRANSITION BETWEEN LEVELS OF
> CATEGORICAL FUNDING FOR NATIONAL SCHOOL
> LUNCH STUDENTS BY PROVIDING A METHOD OF TRANSITIONAL FUNDING DURING A THREE-YEAR PERIOD.

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

SECTION 1. DO NOT CODIFY. ACT 57 COMPLIANCE.
The General Assembly declares this act to be in concordance with the study of the state's system of public education conducted in 2006 by the Adequacy Study Oversight Subcommittee, the Senate Interim Committee on Education, and the House Interim Committee on Education in compliance with Act 57 of the Second Extraordinary Session of 2003.

SECTION 2. Arkansas Code § 6-20-2305(b)(4)(B), concerning categorical funding for national school lunch students, is amended to read as follows:
(B) (i) Funding under this subdivision (b)(4) for national school lunch students shall be based on the percentage determined in § 6-202303(12) multiplied by the number of the previous school year's enrolled students.
(ii) Beginning with the 2007-2008 school year, for school districts that are to receive funding under this subdivision (b)(4) based on a different percentage than the preceding school year as determined in § 6-20-2303(12), the funding shall be paid or reduced in three (3) equal amounts over a three-year period following the year in which a school district's number of national school lunch students:
(a) Meets, exceeds, or falls below ninety
percent (90\%); or
(b) Meets, exceeds, or falls below seventy
percent ( $70 \%$ ) but is less than ninety percent (90\%).
(iii)(a) The Department of Education shall establish rules to implement the transitional funding provided in subdivision (b) (4)(B) (ii) of this section.
(b) The rules shall include a method of transitional funding for a school district that both falls below and exceeds a funding level identified in subdivision (b)(4)(A) of this section within a three-year period.
(iv) Under no circumstances shall a school district be entitled to receive more or less funding as a result of the transitional process than the school district is otherwise entitled to receive under subdivision (b) (4) of this section based on the school district's national school lunch student population as a percentage of the school district's entire student population.
(ii)(a)(v)(a) A school district that has experienced a significant growth in enrolled students in the previous three (3) years shall receive funding for the expected increase in the number of national school lunch students based on the expected increase in enrolled students based on the levels of funding provided in this section for national school lunch students.
(b) The State Board of Education shall establish rules to be used by the Department of Education to determine:
(1) The amount of growth necessary to
qualify as significant growth;
(2) The expected increase in the number of national school lunch students based on the expected increase in enrolled students; and
(3) Which school districts have experienced a significant growth in enrolled students as necessary to qualify for funding under this subdivision (b)(4)(B)(ii).
(c) The Department of Education shall not be required to adjust or fund a school district's national school lunch students based on the current year's number of national school lunch students enrolled in the district or the average growth of students in the district.

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/s/ Kenney, et al
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