

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 86th General Assembly  
3 Regular Session, 2007  
4

As Engrossed: H3/21/07

# A Bill

HOUSE BILL 2787

5 By: Representatives Flowers, *Blount, Walters*  
6 By: *Senator Bryles*  
7

## For An Act To Be Entitled

10 AN ACT TO PROVIDE STABILITY AND CONTINUITY IN THE  
11 EDUCATIONAL ENVIRONMENT FOR STUDENTS OF PUBLIC  
12 SCHOOL DISTRICTS IN ACADEMIC FACILITIES DISTRESS  
13 OR FISCAL DISTRESS IN ECONOMICALLY DEPRESSED  
14 AREAS OF THE STATE; AND FOR OTHER PURPOSES.

### Subtitle

16 AN ACT TO PROVIDE STABILITY AND  
17 CONTINUITY IN THE EDUCATIONAL  
18 ENVIRONMENT OF SCHOOL DISTRICTS IN  
19 ACADEMIC FACILITIES DISTRESS OR FISCAL  
20 DISTRESS IN AN ECONOMICALLY DEPRESSED  
21 AREA.  
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

26  
27 *SECTION 1. Legislative intent.*

28 *(a) The General Assembly finds that:*

29 *(1) Research shows that extracurricular activities of public*  
30 *school students are important to public education;*

31 *(2) That the state's own public school funding experts, Lawrence*  
32 *O. Picus and Associates, in Recalibrating the Arkansas School Funding*  
33 *Structure - Final Report, August 30, 2006, which is the report presented to*  
34 *the House Interim Committee and the Senate Interim Committee on Education in*  
35 *August 2006, observed that extra-curricular programs, including some athletic*  
36 *programs, "are important to an adequate education program;*



1           (3) That the Picus report also cited research evidencing that  
2 “well designed and administered after-school programs yield numerous  
3 improvements in academic and behavioral outcomes”; and

4           (4) That the overall economic health of a school district  
5 impacts the academic, fiscal, and facilities viability of a school district.

6           (b) It is therefore the intent of this act to:

7           (1) Preserve extracurricular programs that are important for an  
8 adequate education by protecting funding for these programs while a school is  
9 in fiscal or facilities distress;

10           (2) Provide consequences for the actions or inactions of  
11 superintendents and school district boards of directors who lead a school  
12 district into academic facilities distress or fiscal distress; and

13           (3) Assess the impact of the overall economic health of a school  
14 district in academic facilities distress or fiscal distress on its distress  
15 status.

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17           SECTION 2. Arkansas Code § 6-21-811(d) - (g), concerning the authority  
18 of the Division of Public School Academic Facilities and Transportation with  
19 regard to a school district in facilities distress, is amended to read as  
20 follows:

21           (d) When a school district is identified by the division to be in  
22 facilities distress, the division may:

23           (1)(A)(i) Provide on-site technical evaluation and assistance  
24 and make recommendations to the district superintendent regarding the care  
25 and maintenance of any academic facility in the district.

26                           (ii) The recommendations may include requiring the  
27 superintendent and members of the school board to attend leadership training,  
28 financial management training, or other training the division deems  
29 necessary.

30           (B) Any school district identified as being in facilities  
31 distress status shall accept on-site technical evaluation and assistance from  
32 the division.

33           (C) The recommendations of the division are binding on the  
34 district, the superintendent, and the school board;

35           (2)(A) Require the superintendent to relinquish all  
36 administrative authority with respect to the school district.

1                    (B) The State Board of Education may, upon adequate  
2 written notice and opportunity for a hearing, suspend the administrator's  
3 license of a superintendent who is asked to relinquish administrative  
4 authority of a school district in facilities distress;

5                    (3)(A) Appoint an individual in place of the superintendent to  
6 administratively operate the school district under the supervision and  
7 approval of the Director of the Division of Public School Academic Facilities  
8 and Transportation.

9                    (B) The division may direct the school district to  
10 compensate from school district funds the individual appointed to operate the  
11 school district;

12                    (4) Suspend or remove all members of the current board of  
13 directors and call for the election of a new school board for the school  
14 district, in which case the school district shall reimburse the county board  
15 of election commissioners for election costs as otherwise required by law;

16                    (5) Require the school district to operate without a local  
17 school board under the supervision of the local superintendent or an  
18 individual or panel appointed by the director;

19                    (6) Return the administration of the school district to the  
20 former board or place the administration of the school district in a newly  
21 elected school board;

22                    (7) Require school district staff and employees to attend  
23 training in areas of concern for the public school or school district;

24                    (8)(A) Require a school district to cease immediately all  
25 expenditures that are related to activities not described as part of an  
26 adequate education in § 6-20-2302 and that in the aggregate exceed three  
27 percent (3%) of the school district's total expenditures and place money that  
28 would have been spent on the activities into an academic facilities escrow  
29 account to be released only upon approval by the division for use in  
30 conjunction with a local academic facilities project.

31                    (B)(i) Before requiring a school district to cease the  
32 expenditures, the division shall request that the Department of Education  
33 evaluate the programs that will lose funding under subdivision (d)(8)(A) of  
34 this section to determine the importance of the programs to:

35                                    (a) Student achievement;

36                                    (b) The opportunity for the students of the

1 school district to receive an adequate education; and

2 (c) The availability of other public or  
3 private funding for the programs.

4 ~~(B)~~(C) School districts shall include a clause  
5 addressing this contingency in all contracts with personnel who are involved  
6 with activities not described as part of an adequate education;

7 (9) Notify the public school or school district in writing that  
8 the deficiencies regarding academic facilities shall be corrected within a  
9 time period designated by the division;

10 (10)(A) Petition the state board at any time for the  
11 consolidation, annexation, or reconstitution of a school district in  
12 facilities distress or take other appropriate action as allowed by this  
13 subchapter in order to secure and protect the best interest of the  
14 educational resources of the state or to provide for the best interest of  
15 students in the school district.

16 (B) The state board may approve the petition or take other  
17 appropriate action as allowed by this subchapter.

18 (C)(i) The state board shall consolidate, annex, or  
19 reconstitute any school district that fails to remove itself from the  
20 classification of a school district in facilities distress within two (2)  
21 consecutive school years of receipt of notice of identification of facilities  
22 distress status by the division.

23 (ii)(a) A school district may appeal the action of  
24 the state board to the Commission for Public School Academic Facilities and  
25 Transportation in accordance with procedures developed by the state board.

26 (b) The commission may reverse the action of  
27 the state board if the commission finds that the school district could not  
28 remove itself from facilities distress due to impossibility caused by  
29 external forces beyond the school district's control; and

30 (11)(A) Take any other action allowed by law that is deemed  
31 necessary to assist a public school or school district in removing criteria  
32 of facilities distress.

33 (e) No school district identified by the division as being in  
34 facilities distress may incur any debt without the prior written approval of  
35 the commission.

36 (f) A public school or school district in facilities distress may

1 petition the commission for removal from facilities distress status only  
2 after the division has certified in writing that the public school or school  
3 district has corrected all criteria for being classified as in facilities  
4 distress and has complied with all division recommendations and requirements  
5 for removal from facilities distress.

6 (g)(1) The division shall submit a written evaluation on the status of  
7 each school district in facilities distress to the commission and the state  
8 board at least one (1) time every six (6) months.

9 (2)(A) The division's evaluation shall at least annually include  
10 its determination of the impact of the relative economic health of the school  
11 district on the school district's status of facilities distress.

12 (B) The division may seek the assistance of the Department  
13 of Economic Development or the Arkansas Economic Development Commission in  
14 making the determination required by this subsection (g).

15  
16 SECTION 3. Arkansas Code § 6-20-1908(f) and (g) concerning actions of  
17 the State Board of Education relating to a school district in fiscal  
18 distress, is amended to read as follows:

19 (f)(1) The department shall evaluate and make recommendations to the  
20 district superintendent regarding staffing of the district and fiscal  
21 practices of the district.

22 (2) The recommendations may include requiring the superintendent  
23 and members of the school board to attend leadership training, financial  
24 management training, or other training the department deems necessary.

25 ~~(2)(3)~~ The recommendations of the department shall be binding on  
26 the district, the superintendent, and the school board.

27 (g)(1) Every six (6) months, the department shall submit a written  
28 evaluation on the status of each school district in fiscal distress to the  
29 state board.

30 (2)(A) The department's evaluation shall at least annually  
31 include its determination of the impact of the relative economic health of  
32 the school district on the school district's status of fiscal distress.

33 (B) The department may seek the assistance of the  
34 Department of Economic Development or the Arkansas Economic Development  
35 Commission in making the determination required by this subsection (g).

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1 SECTION 4. Arkansas Code § 6-20-1909(a)(1), concerning Department of  
2 Education actions regarding a school district in fiscal distress, is amended  
3 to read as follows:

4 (1)(A) Require the superintendent to relinquish all  
5 administrative authority with respect to the school district.

6 (B) The State Board of Education may, upon adequate  
7 written notice and opportunity for a hearing, suspend the administrator's  
8 license of a superintendent who is asked to relinquish administrative  
9 authority of a school district in fiscal distress.

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11 SECTION 5. Arkansas Code § 6-15-430(a)(1), concerning State Board of  
12 Education actions regarding a school district in academic distress, is  
13 amended to read as follows:

14 (a) The State Board of Education shall have the following authority  
15 regarding any public school district in academic distress:

16 (1)(A) To require the superintendent of the school district to  
17 relinquish all authority with respect to the district and to appoint an  
18 individual to administratively operate the district under the supervision of  
19 the Commissioner of Education, with the cost to be paid from school district  
20 funding;

21 (B) The State Board of Education may, upon adequate  
22 written notice and opportunity for a hearing, suspend the administrator's  
23 license of a superintendent who is asked to relinquish administrative  
24 authority of a school district in academic distress.

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26 /s/ Flowers, et al  
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