| 1  | State of Arkansas   | As Engrossed: H3/14/11         |                                  |
|----|---|--------------------------------|----------------------------------|
| 2  | 88th General Assembly   | A Bill                         |                                  |
| 3  | Regular Session, 2011   |                                | HOUSE BILL 1910                  |
| 4  |   |                                |                                  |
| 5  | By: Representative Pierce   |                                |                                  |
| 6  |   |                                |                                  |
| 7  |   | For An Act To Be Entitle       | ed                               |
| 8  | AN ACT TO   | AMEND THE REQUIREMENTS RELAT   | ED TO PUBLIC                     |
| 9  | SCHOOL CA   | TEGORICAL FUNDING; AND FOR OT  | HER PURPOSES.                    |
| 10 |   |                                |                                  |
| 11 |   |                                |                                  |
| 12 |   | Subtitle                       |                                  |
| 13 | TO A  | AMEND THE REQUIREMENTS RELATED | ) TO                             |
| 14 | PUBI  | LIC SCHOOL CATEGORICAL FUNDING | · ·                              |
| 15 |   |                                |                                  |
| 16 |   |                                |                                  |
| 17 | BE IT ENACTED BY THE  | GENERAL ASSEMBLY OF THE STATE  | OF ARKANSAS:                     |
| 18 |   |                                |                                  |
| 19 | SECTION 1. Ark  | ansas Code § 6-20-2305 (b)(4)  | (C)(i)(b), concerning            |
| 20 | national school lunch state categorical funding, is amended to add additional |                                |                                  |
| 21 | subdivisions to read  | as follows:                    |                                  |
| 22 |   | <u>(9) Federal c</u>           | hild nutrition programs, to      |
| 23 | the extent necessary  | to provide school meals witho  | out charge to all students       |
| 24 | <u>under the United Stat</u>  | es Department of Agriculture   | Special Assistance               |
| 25 | <u>Alternative</u> "Provisio  | on 2" program under 42 U.S.C.  | § 1759a, as it exists on         |
| 26 | <u>July 1, 2011;</u>  |                                |                                  |
| 27 |   | <u>(10) Federal</u>            | child nutrition programs,        |
| 28 | <u>to the extent necessa</u>  | ary to provide school meals wi | thout charge to students         |
| 29 | otherwise eligible for reduced-price meals under the United States Department |                                |                                  |
| 30 | <u>of Agriculture's Nati</u>  | onal School Lunch Program or   | <u>School Breakfast Program;</u> |
| 31 |   | <u>(11) Expenses</u>           | directly related to              |
| 32 | <u>funding a longer scho</u>  | ool day;                       |                                  |
| 33 |   | <u>(12) Expenses</u>           | directly related to              |
| 34 | <u>funding a longer scho</u>  | ool year;                      |                                  |
| 35 |   | <u>(13) Partneri</u>           | ng with local institutions       |
| 36 | <u>of higher education t</u>  | o remediate students while th  | ose students are still in        |



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| 1  | high school so that the students are college and career ready upon graduation        |  |  |
|----|--|--|--|
| 2  | <u>from high school;</u>   |  |  |
| 3  | (14) Teach For America professional  |  |  |
| 4  | development;   |  |  |
| 5  | (15) Implementing components of the  |  |  |
| 6  | Arkansas Advanced Initiative for Math and Science; and                               |  |  |
| 7  | (16) College and Career Coaches, as  |  |  |
| 8  | administered by the Department of Career Education.                                  |  |  |
| 9  |  |  |  |
| 10 | SECTION 2. Arkansas Code § 6-20-2305(b)(4)(C)(ix)(b)(1), concerning                  |  |  |
| 11 | national school lunch state categorical funding, is amended to read as               |  |  |
| 12 | follows:   |  |  |
| 13 | (1) A school district shall reduce each  |  |  |
| 14 | current school year by twenty percent (20%) the amount of national school            |  |  |
| 15 | lunch student categorical funds received and used <u>in the prior school year</u> by |  |  |
| 16 | the school district as a supplement to classroom teacher salaries and shall          |  |  |
| 17 | continue this reduction in the application of national school lunch student          |  |  |
| 18 | categorical funds as a supplement to classroom teacher salaries until the            |  |  |
| 19 | school district has no more than twenty percent (20%) of the total of any            |  |  |
| 20 | current year of all national school lunch student categorical funds received         |  |  |
| 21 | by a school district applied and used as a supplement to classroom teacher           |  |  |
| 22 | salaries for a current school year;  |  |  |
| 23 |  |  |  |
| 24 | SECTION 3. Arkansas Code § 6-20-2305(b)(4), concerning national school               |  |  |
| 25 | lunch state categorical funding, is amended to add an additional subdivision         |  |  |
| 26 | to read as follows:  |  |  |
| 27 | (F)(i) By June 30, 2012, and by June 30 of each year                                 |  |  |
| 28 | thereafter, a school district shall spend a minimum of eighty-five percent           |  |  |
| 29 | (85%) of the school district's annual national school lunch state categorical        |  |  |
| 30 | funding allocation as provided under subdivision (b)(4)(C) of this section.          |  |  |
| 31 | (ii) A school district that on June 30, 2012, has a                                  |  |  |
| 32 | national school lunch state categorical funding balance in excess of fifteen         |  |  |
| 33 | percent (15%) of the school district's current year annual national school           |  |  |
| 34 | lunch state categorical funding allocation shall reduce its total national           |  |  |
| 35 | school lunch state categorical funding balance by at least ten percent (10%)         |  |  |
| 36 | each year so that by June 30, 2022, and by June 30 of each year thereafter,          |  |  |

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| 1      | the school district has a belonge of no more than fifteen percent $(15\%)$ of   |  |  |
|--------|---|--|--|
| 1<br>2 | the school district has a balance of no more than fifteen percent (15%) of<br>the school district's current year annual national school lunch state |  |  |
| 2      | categorical funding allocation.   |  |  |
| 4      | (iii)(a) Under an unusual and limited circumstance,   |  |  |
| 5      | including without limitation an increase in one-time funds or an unexpected   |  |  |
| 6      | decrease in school district revenues during a given year, a school district   |  |  |
| 7      | may request that the Department of Education waive the requirements of this   |  |  |
| 8      | subdivision (b)(4)(F).  |  |  |
| 9      | (b) A school district seeking a waiver shall  |  |  |
| 10     | file a waiver request with the Commissioner of Education, accompanied by a  |  |  |
| 11     | resolution adopted by the school district's board of directors, describing  |  |  |
| 12     | the unusual and limited circumstances.  |  |  |
| 13     | <u>(iv) The commissioner may grant a waiver request</u>   |  |  |
| 14     | under this subdivision (b)(4)(F) for up to one (1) year if the commissioner   |  |  |
| 15     | finds that the request is necessary based upon the unusual and limited  |  |  |
| 16     | <u>circumstances.</u>   |  |  |
| 17     | (v)(a) The department shall monitor on a yearly   |  |  |
| 18     | basis each school district's compliance with the requirements of this   |  |  |
| 19     | subdivision (b)(4)(F).  |  |  |
| 20     | (b) If a school district fails to comply with   |  |  |
| 21     | the requirements of this subdivision (b)(4)(F) during a school year, the  |  |  |
| 22     | department may in the following school year withhold from that school   |  |  |
| 23     | district's national school lunch state categorical funding allocation an  |  |  |
| 24     | amount equal to the amount required to be spent by the school district in   |  |  |
| 25     | order to be in compliance with the requirements of this subdivision   |  |  |
| 26     | <u>(b)(4)(F).</u>   |  |  |
| 27     | <u>(c) The department may redistribute amounts</u>  |  |  |
| 28     | withheld under this subdivision (b)(4)(F) to other school districts entitled  |  |  |
| 29     | to receive national school lunch state categorical funding allocations.   |  |  |
| 30     |   |  |  |
| 31     | SECTION 4. Arkansas Code § 6-20-2305(e), concerning state categorical   |  |  |
| 32     | funding for public schools, is amended to read as follows:  |  |  |
| 33     | (e) <u>(1)</u> Funds distributed to school districts under subsection (b) of  |  |  |
| 34     | this section shall be expended on:  |  |  |
|        | this section shall be expended on:  |  |  |
| 35     | $\frac{(1)}{(A)}$ The students within each category of special needs  |  |  |

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| 1  | (2)(B) Any students within any category of special needs                      |
|----|---|
| 2  | under subsection (b) of this section as permitted by rules issued by the      |
| 3  | State Board of Education; or  |
| 4  | (3)(C) If the Department of Education determines that a                       |
| 5  | school district's expenditure of funds allocated under subsection (b) of this |
| 6  | section would result in the school district's losing funding under any        |
| 7  | federal law, then the funds allocated to a school district under subsection   |
| 8  | (b) of this section may be expended for other academic programs or salaries   |
| 9  | as permitted by the Department of Education.                                  |
| 10 | (2) On June 30, 2012, and on June 30 of each school year                      |
| 11 | thereafter, if the total aggregate balance of all state categorical fund      |
| 12 | sources exceeds twenty percent (20%) of the school district's total aggregate |
| 13 | annual state categorical fund allocations for the current school year, the    |
| 14 | school district shall reduce the total balance by ten percent (10%) each year |
| 15 | until the school district's June 30 balance of aggregate annual categorical   |
| 16 | fund sources is twenty percent (20%) or less of the total aggregate annual    |
| 17 | state categorical fund allocations for the current school year.               |
| 18 | (3) A school district may transfer funds received from any                    |
| 19 | categorical fund source to another categorical fund source.                   |
| 20 | (4)(A) The department shall monitor on a yearly basis each school             |
| 21 | district's compliance with the requirements of this subsection.               |
| 22 | (B) If a school district fails to comply with the                             |
| 23 | requirements of this subsection during a school year, the department may in   |
| 24 | the following school year withhold from that school district's categorical    |
| 25 | funding allocation an amount equal to the amount required to be spent by the  |
| 26 | school district in order to be in compliance with the requirements of this    |
| 27 | subsection.   |
| 28 | (C) The department may redistribute amounts withheld under                    |
| 29 | this subsection to other school districts entitled to receive categorical     |
| 30 | funding allocations.  |
| 31 |   |
| 32 | /s/Pierce   |
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| 34 |   |
| 35 |   |
| 36 |   |

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