

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

# A Bill

HOUSE BILL 1689

5 By: Representative Cozart  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND PROVISIONS OF THE ARKANSAS CODE  
9 CONCERNING PUBLIC SCHOOL FUNDING AND INDEBTEDNESS; TO  
10 AMEND FUNDING PROVISIONS AND DEFINITIONS FOR PUBLIC  
11 EMPLOYEE HEALTH INSURANCE; TO AMEND PROVISIONS  
12 CONCERNING EDUCATION SERVICE COOPERATIVE FINANCING;  
13 AND FOR OTHER PURPOSES.  
14  
15

## Subtitle

16 TO AMEND PROVISIONS CONCERNING PUBLIC  
17 SCHOOL FUNDING AND INDEBTEDNESS; TO AMEND  
18 FUNDING PROVISIONS CONCERNING PUBLIC  
19 EMPLOYEE HEALTH INSURANCE; AND TO AMEND  
20 PROVISIONS CONCERNING EDUCATION SERVICE  
21 COOPERATIVE FINANCING.  
22  
23  
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
26

27 SECTION 1. Arkansas Code § 6-13-1006(d)(9), concerning the authority  
28 of a board of directors of education services cooperatives, is amended to  
29 read as follows:

30 (9) Renting, leasing, purchasing, constructing, borrowing  
31 exclusively from the revolving loan fund under § 6-20-818, or receiving by  
32 gift such facilities and buildings as may be required to provide authorized  
33 programs and services; and  
34

35 SECTION 2. Arkansas Code § 6-17-1117(a)(3)(B), concerning public  
36 school employees' health insurance programs, is amended to read as follows:



1 (B) As used in this section, "local contribution rate"  
 2 means the minimum contribution amount a school district provides for health  
 3 insurance above the minimum contribution rate required under subdivision  
 4 (a)(1) of this section in addition to the contribution amount a school  
 5 district provides for health insurance above that minimum contribution rate.  
 6

7 SECTION 3. The introductory language of Arkansas Code § 6-17-  
 8 1117(a)(5), concerning public school employees' health insurance programs, is  
 9 amended to read as follows:

10 (5) A school district is not required to increase the local  
 11 contribution rate as directed under subdivision (a)(3) of this section if the  
 12 school district:  
 13

14 SECTION 4. Arkansas Code § 6-20-402(d), concerning limitations on  
 15 school district indebtedness, is amended to add an additional subdivision to  
 16 read as follows:

17 (6) Upon incurring current indebtedness, the school district  
 18 shall notify the department of the indebtedness, on forms provided by the  
 19 department, showing the:

- 20 (A) Payee and any assignee;
- 21 (B) School district;
- 22 (C) Purpose of the indebtedness;
- 23 (D) Maturity date of the indebtedness;
- 24 (E) Amount borrowed and interest rate of indebtedness; and
- 25 (F) Amortization schedule showing installments, if  
 26 applicable.

27  
 28 SECTION 5. Arkansas Code § 6-20-2202(d)(1)(B)(ii), concerning budget  
 29 and expenditure reports, is amended to read as follows:

30 (ii) A final close must be performed in each school  
 31 district's or open-enrollment public charter school's or education service  
 32 cooperative's applicable general ledger database no later than ~~September 30,~~  
 33 ~~2007, for the 2006-2007 school year and September 15 for each school year~~  
 34 ~~thereafter~~ September 10 of each year.  
 35

36 SECTION 6. Arkansas Code § 6-20-2305(a)(1)(B), concerning school

1 district foundation funding, is amended to read as follows:

2 (B) The Department of Education shall distribute state  
 3 foundation funding aid to each school district in ~~eleven (11)~~ twelve (12)  
 4 ~~equal~~ monthly payments.

5  
 6 SECTION 7. Arkansas Code § 6-20-2305(c)(2), concerning student growth  
 7 funding, is amended to read as follows:

8 (2)~~(A)~~ Student growth funding is calculated as the sum of the  
 9 following amounts:

10 ~~(i)(A)~~ One quarter ( $\frac{1}{4}$ ) of the per student foundation  
 11 funding for the school district under subdivision (a)(2) of this section  
 12 multiplied by the increase, if any, of each of the following:

13 ~~(a)(i)~~ The school district's quarterly average daily  
 14 membership for the fourth quarter of the previous school year over the  
 15 average daily membership of the previous school year;

16 (ii) The school district's quarterly average daily  
 17 membership for the first quarter of the current school year over average  
 18 daily membership of the previous school year;

19 ~~(b)(iii)~~ The school district's quarterly average  
 20 daily membership for the second quarter of the current year over the average  
 21 daily membership of the previous school year; and

22 ~~(e)(iv)~~ The school district's quarterly average  
 23 daily membership for the third quarter of the current school year over the  
 24 average daily membership of the previous school year; ~~and~~

25 ~~(d)~~ ~~The school district's quarterly average~~  
 26 ~~daily membership for the fourth quarter of the current school year over the~~  
 27 ~~average daily membership of the previous school year; and~~

28 ~~(ii)(B)~~ Excluding any increase resulting solely from  
 29 consolidation or annexation with another school district; and

30 (C) If net revenues minus any recoupment under subdivision  
 31 (a)(4)(B) of this section plus miscellaneous funds calculated under § 6-20-  
 32 2308(b)(1)(A) exceed the foundation funding amount, a school district shall  
 33 be eligible to receive the amount of calculated student growth funding that  
 34 exceeds net revenues minus any recoupment under subdivision (a)(4)(B) of this  
 35 section plus miscellaneous funds calculated under § 6-20-2308(b)(1)(A).

36 ~~(B) The Department of Education shall:~~

~~(i) By January 31 of each year:~~

~~(a) Calculate an amount of student growth funding under subdivision (c)(2)(A) of this section using the quarterly average daily membership for the first quarter and an estimation of the average daily membership for the second, third, and fourth quarters; and~~

~~(b) Distribute to the school district not less than sixty percent (60%) of the amount calculated under subdivision (c)(2)(B)(i)(a) of this section;~~

~~(ii) By April 30 of each year, distribute to the school district forty percent (40%) of the amount calculated under subdivision (c)(2)(B)(i)(a) of this section; and~~

~~(iii)(a) By July 31 of each year, calculate the amount of student growth funding under subdivision (c)(2)(A) of this section using the actual quarterly average daily membership for all four (4) quarters of the applicable school year.~~

~~(C) By August 31 of the fiscal year in which the student growth funding is received, if the amount under subdivision (c)(2)(B)(iii)(a) of this section is:~~

~~(1) More than the amount under subdivision (c)(2)(B)(i)(a) of this section, the Department of Education shall distribute the difference to the school district; or~~

~~(2) Less than the amount under subdivision (c)(2)(B)(i)(a), the school district shall refund the difference to the Department of Education.~~