State of Arkansas	*As Engrossed: S3/18/19 H4/3/19*
92nd General Assembly	A Bill
Regular Session, 2019	SENATE BILL 535

By: Senators B. Johnson, *E. Cheatham*

By: Representatives Murdock, *Dotson*

For An Act To Be Entitled

AN ACT CONCERNING THE ACADEMIC FACILITIES WEALTH INDEX; TO REVISE THE METHOD BY WHICH THE ACADEMIC FACILITIES WEALTH INDEX IS CALCULATED; AND FOR OTHER PURPOSES.

Subtitle

TO REVISE THE METHOD BY WHICH THE ACADEMIC FACILITIES WEALTH INDEX IS CALCULATED.

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

SECTION 1. Arkansas Code § *6-20-2502(1)*, concerning the calculation of the "academic facilities wealth index" in the Arkansas Public School Academic Facilities Funding Act, is amended to read as follows:

(1)(A) For fiscal years 2024-2025 and each year thereafter, "~~Academic~~ academic facilities wealth index" means a percentage derived from the following computations:

(i) Determine the value of one (1) mill per student in each school district as follows:

(a) Multiply the value of one (1) mill by the total assessed valuation of taxable real, personal, and utility property in the school district as shown by the applicable county assessment for the most recent year; and

(b) Divide the product from subdivision (1)(A)(i)(a) of this section by the largest average daily membership of a

1   school district over the previous decade;

2   (ii)(a) Calculate each school district's relative

3   median income by dividing the household median income for the area served by

4   each school district by the household median income of the school district

5   with the highest household median income.

6   (b) The household median income used in

7   subdivision (1)(A)(ii)(a) of this section shall be the household median

8   income as estimated by the United States Bureau of the Census's American

9   Community Survey;

10   (iii) Calculate the median income per mill value by

11   multiplying each school district's value of one (1) mill per student as

12   calculated under subdivision (1)(A)(i) of this section by the school

13   district's relative median income as calculated under subdivision

14   (1)(A)(ii)(a) of this section; and

15   (iv) Identify the school district at the ninety-

16   fifth percentile according to the value calculated under subdivision

17   (1)(A)(iii) of this section by:

18   (i) Determine the value of one (1) mill per

19   student in each school district as follows:

20   (a) Multiply the value of one (1) mill

21   by the total assessed valuation of taxable real, personal, and utility

22   property in the school district as shown by the applicable county assessment

23   for the most recent year; and

24   (b) Divide the product from subdivision

25   (1)(A)(i)(a) of this section by the greater of the prior year average daily

26   membership of the school district or the prior three-year average of the

27   school district's average daily membership;

28   (ii)(a) Determine Determining student millage

29   rankings by listing the computation median income per mill value under

30   subdivision (1)(A)(i) (1)(A)(iii) of this section for each school district

31   from students districts with the lowest value median income per mill value to

32   students school districts with the highest value median income per mill

33   value;

34   (iii)(b) Allocate Allocating the student

35   millage rankings into percentiles with the first percentile containing the

36   one percent (1%) of students based on the prior year average daily membership

1   with the lowest value per mill and the one-hundredth percentile containing

2   the one percent (1%) of students with the highest value per mill; and

3   (iv)(c) Divide the value of one (1) mill per

4   student in each school district Dividing the median income per mill value as

5   computed under subdivision (1)(A)(i) (1)(A)(iv)(a) of this section by the

6   amount corresponding to the ninety-fifth percentile of the student millage

7   rankings under subdivision (1)(A)(iii) (1)(A)(iv)(b) of this section; and

8   (d) Every school district with a wealth

9   index of one (1.00) or greater will be funded at the same level as the first

10 school district with a wealth index below one (1.00), except that funding

11 under this subdivision (1)(A)(iv)(d) shall not exceed the amount of funding

12 provided to a school district with a wealth index of nine hundred and ninety-

13 five one-thousandths (0.995).

14   (B) For fiscal years 2022-2023, "academic facilities

15 wealth index" means a percentage derived from the following computations:

16   (i) Determine the value of one (1) mill per student

17 in each school district as follows:

18   (a) Multiply the value of one (1) mill by the

19 total assessed valuation of taxable real, personal, and utility property in

20 the school district as shown by the applicable county assessment for the most

21 recent year; and

22   (b) Divide the product from subdivision

23 (1)(B)(i)(a) of this section by the prior year average daily membership of

24 the school district or the prior three-year average of the school district's

25 average daily membership;

26   (ii) Determine student millage rankings by listing

27 the computation under subdivision (1)(B)(i) of this section for each school

28 district from school districts with the lowest value per mill to school

29 districts with the highest value per mill;

30   (iii) Allocate the student millage rankings into

31 percentiles with the first percentile containing the one percent (1%) of

32 students with the lowest value per mill and the one-hundredth percentile

33 containing the one percent (1%) of students with the highest value per mill;

34   (iv) Divide the value of one (1) mill per student in

35 each school district as computed under subdivision (1)(B)(i) of this section

36 by the amount corresponding to the ninety-fifth percentile of the student

1   millage rankings under subdivision (1)(B)(iii) of this section.

2   (v) Every school district with a wealth index of one

3   (1.00) or greater will be funded at the same level as the first school

4   district with a wealth index below one (1.00), except that funding under this

5   subdivision (1)(B)(v) shall not exceed the amount of funding provided to a

6   school district with a wealth index of nine hundred and ninety-five one-

7   thousandths (0.995).

8   (vi) Subtract the academic facilities wealth index

9   as determined under subdivisions (1)(B)(iv) and (1)(B)(v) of this section

10 from the academic facilities wealth index as determined under subdivision

11 (1)(A)(iv) of this section;

12   (vii) Divide the result from subdivision (1)(B)(vi)

13 of this section by two (2); and

14   (viii) Add the value from subdivision (1)(B)(iv) of

15 this section with the number calculated in subdivision (1)(B)(vi) of this

16 section.

17   (B) Every school district with a wealth index of one

18 (1.00) or greater will be funded at the same level as the first school

19 district with a wealth index below one (1.00), except that funding under this

20 subdivision (1)(B) will not exceed the amount of funding provided for a

21 wealth index of nine hundred ninety-five thousandths (0.995).

22   (C)(i) The percentage derived from the computation under

23 subdivision (1)(A)(iv) of this section is the academic facilities wealth

24 index for a school district, which shall be computed annually and used to

25 determine the amount of the school district's share of financial

26 participation in a local academic facilities project eligible for state

27 financial participation under priorities established by the Division of

28 Public School Academic Facilities and Transportation.

29   (ii) The state's share of financial participation in

30 a local academic facilities project eligible for state financial

31 participation under priorities established by the division is the percentage

32 derived from subtracting the school district's percentage share of financial

33 participation determined under subdivision (1)(C)(i) of this section from one

34 hundred percent (100%);.

35   (D) A school district identified as a high-growth school

36 district as defined in § 6-20-2511 shall receive the lesser of the wealth

1   *index as calculated under the formulas under subdivision (1)(A) and (1)(B) of*

2   *this section until the school district fails to meet the definition of a*

3   *high-growth school district as defined in § 6-20-2511 for two (2) consecutive*

4   *years;*

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7   */s/B. Johnson*

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