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2 94th General Assembly
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4

As Engrossed: S3/2/23

A Bill

SENATE BILL 262

5 By: Senators J. Payton, B. King, J. Dismang, Flipppo, Irvin, B. Johnson, J. Petty, Stone
6 By: Representatives Miller, C. Cooper, G. Hodges, Pearce
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE PUBLIC EDUCATION REORGANIZATION
10 ACT; TO REMOVE THE AUTHORITY OF THE STATE BOARD OF
11 EDUCATION TO REQUIRE AN ADMINISTRATIVE CONSOLIDATION
12 FOR CERTAIN SCHOOL DISTRICTS; AND FOR OTHER PURPOSES.
13

Subtitle

14
15 TO AMEND THE PUBLIC EDUCATION
16 REORGANIZATION ACT; AND TO REMOVE THE
17 AUTHORITY OF THE STATE BOARD OF EDUCATION
18 TO REQUIRE AN ADMINISTRATIVE
19 CONSOLIDATION FOR CERTAIN SCHOOL
20 DISTRICTS.
21
22
23

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

26 *SECTION 1. Arkansas Code § 6-13-1602 is repealed.*

27 ~~*6-13-1602. Administrative consolidation list.*~~

28 ~~*By January 1 of each year, the Division of Elementary and Secondary*~~
29 ~~*Education shall publish a:*~~

30 ~~*(1) List of all school districts with fewer than three hundred*~~
31 ~~*fifty (350) students according to the school district average daily*~~
32 ~~*membership in the school year immediately preceding the current school year;*~~
33 ~~*and*~~

34 ~~*(2) Consolidation list that includes all school districts with*~~
35 ~~*fewer than three hundred fifty (350) students according to the school*~~
36 ~~*district average daily membership in each of the two (2) school years*~~



1 ~~immediately preceding the current school year.~~

2
3 SECTION 2. Arkansas Code § 6-13-1603(a)(1) and (2), concerning school
4 districts on the consolidation list that choose to voluntarily consolidate,
5 are amended to read as follows:

6 (a)(1) ~~Any A school district included in the Division of Elementary~~
7 ~~and Secondary Education's consolidation list under § 6-13-1602 with fewer~~
8 ~~than three hundred fifty (350) students according to the school district~~
9 ~~average daily membership in the school year immediately preceding the current~~
10 ~~school year~~ may voluntarily agree to administratively consolidate with or be
11 annexed to another school district or districts in accordance with the
12 requirements and limitations of this section.

13 (2)(A) ~~Any A school district on the consolidation list with~~
14 ~~fewer than three hundred fifty (350) students according to the school~~
15 ~~district average daily membership in the school year immediately preceding~~
16 ~~the current school year~~ choosing to voluntarily administratively consolidate
17 or annex shall ~~submit:~~

18 (i) Submit a petition for approval to the State
19 Board of Education by March 1 ~~immediately following publication of the list;~~
20 and ~~shall set~~

21 (ii) Set forth the terms of the administrative
22 consolidation or annexation agreement in the petition.

23 (B) If the petition is approved by the state board, the
24 administrative consolidation or annexation shall be completed by May 1, to be
25 effective July 1 ~~immediately following the publication of the list required~~
26 ~~under § 6-13-1602.~~

27
28 SECTION 3. Arkansas Code § 6-13-1603(a)(3) and (4), concerning
29 required administrative consolidations, is amended to read as follows:

30 (3) ~~A school district on the consolidation list that does not~~
31 ~~submit a petition under subdivision (a)(2)(A) of this section or that does~~
32 ~~not receive approval by the state board for a voluntary consolidation or~~
33 ~~annexation petition shall be administratively consolidated by the state board~~
34 ~~with or into one (1) or more school districts by May 1, to be effective July~~
35 ~~1 immediately following the publication of the list required under § 6-13-~~
36 ~~1602 unless the school district has been granted a waiver under § 6-13-1613.~~

1 ~~(4)(3)~~ The state board shall promptly consider petitions ~~or move~~
 2 ~~on its own motion submitted by school districts under subdivision (a)(2) of~~
 3 ~~this section to administratively consolidate a school district on the~~
 4 ~~consolidation list~~ in order to enable the affected districts to reasonably
 5 accomplish any resulting administrative consolidation or annexation by July 1
 6 ~~immediately following the publication of the list required under § 6-13-1602.~~

7 (5) The state board shall not deny the petition for voluntary
 8 administrative consolidation or annexation of any two (2) or more school
 9 districts unless:

10 (A) The provisions contained in the articles of
 11 administrative consolidation or annexation would violate state or federal
 12 law; or

13 (B) The voluntary consolidation or annexation would not
 14 contribute to the betterment of the education of students in the school
 15 district.

16
 17 SECTION 4. Arkansas Code § 6-13-1603(b), concerning required
 18 administrative consolidations, is repealed.

19 ~~(b) Any school district required to be administratively consolidated~~
 20 ~~under this subchapter shall be administratively consolidated in such a manner~~
 21 ~~as to create a resulting district with an average daily membership meeting or~~
 22 ~~exceeding three hundred fifty (350).~~

23
 24 SECTION 5. Arkansas Code § 6-13-1608(b) and (c), concerning financial
 25 reviews and Division of Elementary and Secondary Education authority over
 26 certain school districts, are amended to read as follows:

27 (b) The comprehensive financial review shall begin no less than ten
 28 (10) days after the earliest of:

29 (1) ~~The publication of the district's name on the consolidation~~
 30 ~~and annexation list under § 6-13-1602;~~

31 ~~(2)~~ The filing of a petition for voluntary administrative
 32 consolidation or administrative annexation; or

33 ~~(3)(2)~~ The adoption of a motion by the state board to
 34 consolidate, annex, or otherwise reorganize a school district designated as
 35 being in academic or fiscal distress.

36 (c)(1) ~~Beginning on the date of publication of the consolidation list~~

1 ~~under § 6-13-1602~~ By January 1 of each year, the Division of Elementary and
 2 Secondary Education shall ~~have:~~

3 (A) Have authority to oversee all fiscal and accounting-
 4 related matters of all school districts ~~on the consolidation list~~ with fewer
 5 than three hundred fifty (350) students according to the school district
 6 average daily membership in the school year immediately preceding the current
 7 school year; and ~~shall require those~~

8 (B) Require school districts with fewer than three hundred
 9 fifty (350) students according to the school district average daily
 10 membership in the school year immediately preceding the current school year
 11 to have accurate records necessary to close all books within sixty (60) days
 12 after the end of the fiscal year.

13 (2) No contract or other debt obligation incurred by a school
 14 district for which the division has oversight authority under this section
 15 shall be valid or enforceable against a resulting school district unless the
 16 contract or other debt obligation is preapproved in writing by the
 17 Commissioner of Elementary and Secondary Education or his or her designee.
 18

19 SECTION 6. Arkansas Code § 6-13-1608(f), concerning certain school
 20 districts' abilities to incur debt, is amended to read as follows:

21 (f) A school district may not incur debt without the prior written
 22 approval of the division if the school district is identified by the division
 23 ~~under § 6-13-1602(1)~~ as having fewer than three hundred fifty (350) students
 24 according to the school district average daily membership in the school year
 25 immediately preceding the current school year.
 26

27 SECTION 7. Arkansas Code § 6-13-1610(a)(2), concerning the definition
 28 of "Act 60 school district" under the Public Education Reorganization Act, is
 29 repealed.

30 ~~(2) "Act 60 school district" means a school district that was on~~
 31 ~~the consolidation list under § 6-13-1602 and was involuntarily consolidated~~
 32 ~~under § 6-13-1603(a)(3);~~
 33

34 SECTION 8. Arkansas Code § 6-13-1610(d)(1), concerning the Division of
 35 Elementary and Secondary Education's authority to oversee fiscal and
 36 accounting-related matters of certain districts, is amended to read as

1 follows:

2 (d)(1) ~~Beginning on the date of the publication of the consolidation~~
3 ~~list under § 6-13-1602~~ By January 1 of each year, the division shall ~~have:~~

4 (A) Have authority to oversee all fiscal and accounting-
5 related matters of all school districts on the consolidation list; ~~and shall~~
6 ~~require these~~

7 (B) Require school districts with fewer than three hundred
8 fifty (350) students according to the school district average daily
9 membership in the school year immediately preceding the current school year
10 to have accurate records necessary to close all books within sixty (60) days
11 of the end of the fiscal year.

12

13 SECTION 9. Arkansas Code § 6-13-1613(a)(1) and (2), concerning the
14 authority for a school district that is placed on a consolidation list to
15 request a minimum school district size waiver, are amended to read as
16 follows:

17 (a)(1) A school district ~~that is placed on the consolidation list~~
18 ~~published by the Division of Elementary and Secondary Education under § 6-13-~~
19 ~~1602(2)~~ with fewer than three hundred fifty (350) students according to the
20 school district average daily membership in the school year immediately
21 preceding the current school year may annually request a waiver from the
22 average daily membership requirement of three hundred fifty (350) students
23 from the State Board of Education.

24 (2) A school district shall submit a petition for a waiver to
25 the state board ~~no later than thirty (30) days after the consolidation list~~
26 ~~is published by February 1.~~

27

28 SECTION 10. Arkansas Code § 6-13-1613(c), concerning a school district
29 that is granted a minimum district size waiver, is repealed.

30 (e) ~~A school district that is granted a waiver shall remain listed on~~
31 ~~the consolidation list that is published annually by the division.~~

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33 /s/J. Payton

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