

Stricken language would be deleted from and underlined language would be added to present law.

1 State of Arkansas As Engrossed: H4/22/26 H4/27/26

2 95th General Assembly

A Bill

3 Fiscal Session, 2026

HOUSE BILL 1007

4

5 By: Joint Budget Committee

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7

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For An Act To Be Entitled

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AN ACT TO MAKE AN APPROPRIATION FOR PUBLIC SCHOOL

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FUND GRANTS FOR THE DEPARTMENT OF EDUCATION -

11

DIVISION OF ELEMENTARY AND SECONDARY EDUCATION -

12

PUBLIC SCHOOL FUND FOR THE FISCAL YEAR ENDING JUNE

13

30, 2027; AND FOR OTHER PURPOSES.

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15

16

Subtitle

17

AN ACT FOR THE DEPARTMENT OF EDUCATION -

18

DIVISION OF ELEMENTARY AND SECONDARY

19

EDUCATION - PUBLIC SCHOOL FUND

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APPROPRIATION FOR THE 2026-2027 FISCAL

21

YEAR.

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

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SECTION 1. APPROPRIATION - GRANTS AND AID TO LOCAL SCHOOL DISTRICTS AND

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SPECIAL PROGRAMS. There is hereby appropriated, to the Department of

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Education, to be payable from the Division of Elementary and Secondary

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Education Public School Fund Account, for grants and aid to local school

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districts and special programs of the Department of Education - Division of

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Elementary and Secondary Education for the fiscal year ending June 30, 2027,

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the following:

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34 ITEM

FISCAL YEAR

35 NO.

2026-2027

36

(01) 98% URT ACTUAL COLLECTION ADJUSTMENT

\$34,500,000



1	(02)	ADVANCED PLACEMENT INCENTIVE	1,275,000
2	(03)	ALTERNATIVE LEARNING	35,783,095
3	(04)	ARKANSAS EASTER SEALS	193,113
4	(05)	ASSESSMENT/END OF LEVEL TESTING	21,309,189
5	(06)	AT RISK	1,688,530
6	(07)	BETTER CHANCE PROGRAM	114,000,000
7	(08)	BONDED DEBT ASSISTANCE	28,455,384
8	(09)	COMPUTER SCIENCE INITIATIVE	3,500,000
9	(10)	CONSOLIDATION INCENTIVE	5,981,400
10	(11)	CONTENT STANDARDS	161,000
11	(12)	CONTENTS STANDARDS CURRICULUM FRAMEWORKS	50,000
12	(13)	COOP EDUCATION TECH CENTERS	1,200,000
13	(14)	COORDINATED SCHOOL HEALTH	4,200,000
14	(15)	DECLINING ENROLLMENT	23,963,389
15	(16)	DEPT OF CORRECTION	8,702,425
16	(17)	DISTANCE LEARNING	4,760,000
17	(18)	DISTANCE LEARNING OPERATIONS	7,575,000
18	(19)	EARLY CHILDHOOD SPECIAL EDUCATION	22,897,920
19	(20)	ECONOMIC EDUCATION	600,000
20	(21)	EDUCATION SERVICE COOPERATIVES	6,129,270
21	(22)	ENGLISH LANGUAGE LEARNERS	19,075,847
22	(23)	ENHANCED STUDENT ACHIEVEMENT FUNDING	246,723,439
23	(24)	ENHANCED TRANSPORTATION FUNDING	8,000,000
24	(25)	ESA MATCHING GRANT PROGRAM	5,776,183
25	(26)	GIFTED & TALENTED	1,560,381
26	(27)	GRANTS TO SCHOOL DISTRICTS	67,856
27	(28)	HUMAN DEVELOPMENT CENTER EDUCATION AID	526,150
28	(29)	INTERVENTION BLOCK GRANTS	302,000
29	(30)	ISOLATED FUNDING	7,896,000
30	(31)	LEADERSHIP ACADEMY-MASTER PRINCIPAL	1,400,000
31	(32)	MASTER PRINCIPAL BONUS	175,000
32	(33)	MATERNITY LEAVE	3,000,000
33	(34)	MERIT TEACHER INCENTIVE	10,000,000
34	(35)	MINIMUM TEACHER SALARY AND RAISES	190,000,000
35	(36)	NATIONAL BOARD OF PROF TEACHING STANDARDS	18,738,000
36	(37)	NON-TRADITIONAL LICENSURE	50,000

1	(38)	OE CHARTER FAC FUNDING AID PROGRAM	10,775,000
2	(39)	PROFESSIONAL DEVELOPMENT FUNDING	37,175,911
3	(40)	PUBLIC SCHOOL EMPLOYEE INSURANCE	292,000,000
4	(41)	R.I.S.E. ARKANSAS	10,470,000
5	(42)	RESIDENTIAL CENTERS/JUVENILE DETENTION	16,345,087
6	(43)	SCHOOL FACILITY JOINT USE SUPPORT	500,000
7	(44)	SCHOOL FUNDING CONTINGENCY	25,000,000
8	(45)	SCHOOL RECOGNITION	7,000,000
9	(46)	SCHOOL WORKER DEFENSE	390,000
10	(47)	SERIOUS OFFENDER	1,716,859
11	(48)	SMART START/SMART STEP	10,666,303
12	(49)	SPECIAL EDUCATION - HIGH COST OCCURRENCES	18,378,763
13	(50)	SPECIAL EDUCATION SERVICES	2,802,527
14	(51)	SPECIAL NEEDS ISOLATED FUNDING	3,000,000
15	(52)	STATE FOUNDATION FUNDING	2,206,861,456
16	(53)	STUDENT GROWTH	37,690,144
17	(54)	TEACHER LICENSING/MENTORING	6,065,758
18	(55)	TEACHER OF THE YEAR	100,000
19	(56)	TEACHER RETIREMENT MATCHING	14,776,754
20	(57)	TEACHER SALARY EQUALIZATION	60,000,000
21	(58)	TECHNOLOGY GRANTS	3,602,678
22	(59)	TECHNOLOGY IMPROVEMENTS	500,000
23	(60)	TRANSPORTATION MODERNIZATION GRANTS	5,000,000
24	(61)	WORKER'S COMPENSATION	450,000
25	(62)	YOUTH SHELTERS	165,000
26	(63)	HIGH IMPACT TUTORING	20,000,000
27	(64)	IMAGINATION LIBRARY	1,500,000
28	(65)	LITERACY COACHES	19,000,000
29	(66)	SUPPLEMENTAL EDUCATION SERVICES	8,030,000
30	(67)	TEACHER ACADEMY	<u>2,089,000</u>
31		TOTAL AMOUNT APPROPRIATED	<u>\$3,662,266,811</u>

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33 SECTION 2. REGULAR SALARIES - ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK.

34 There is hereby established for the Department of Education - Division of
 35 Elementary and Secondary Education - Arkansas Public School Computer Network
 36 for the 2026-2027 fiscal year, the following maximum number of regular

1 employees.

Item	Class	Maximum	Maximum Annual
No.	Code Title	No. of	Salary Rate
		Employees	Fiscal Year
			2026-2027
7	(1) EES02P EDUCATION PROFESSIONAL II	1	GRADE SPC04
8	(2) EEP06P EDUCATION PROGRAM SUPERVISOR/EXPERT	2	GRADE SGS10
9	(3) PAS02P ADMINISTRATIVE COORDINATOR	1	GRADE SGS04
10	(4) IIS07C IT INFRASTRUCTURE ENGINEER	1	GRADE IST10
11	(5) IIA06C IT MANAGER	1	GRADE IST10
12	(6) IDN02P DATA ANALYST SUPERVISOR/EXPERT	1	GRADE IST09
13	(7) IIP02P IT PROJECT MANAGER	4	GRADE IST08
14	(8) IAS01P APPLICATIONS ANALYST I	3	GRADE IST07
15	(9) IDN01P DATA ANALYST	1	GRADE IST07
16	(10) IDM02P DATABASE ANALYST	1	GRADE IST07
17	(11) IDM03P DATABASE SPECIALIST	2	GRADE IST05
18	(12) IUS04P USER SUPPORT SPECIALIST	26	GRADE IST02
19	(13) EEP03P EDUCATION PROGRAM COORDINATOR	<u>1</u>	GRADE SGS07
20	MAX. NO. OF EMPLOYEES	45	

SECTION 3. APPROPRIATION - ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK.

There is hereby appropriated, to the Department of Education, to be payable from the Division of Elementary and Secondary Education Public School Fund Account, for personal services and operating expenses of the Department of Education - Division of Elementary and Secondary Education - Arkansas Public School Computer Network for the fiscal year ending June 30, 2027, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2026-2027</u>
(01) REGULAR SALARIES	\$2,633,280
(02) PERSONAL SERVICES MATCHING	946,438
(03) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	34,845,839
(B) CONF. & TRAVEL	7,250

1	(C) PROF. FEES	0
2	(D) CAP. OUTLAY	200,000
3	(E) DATA PROC.	0
4	(04) DATA ACCESS IMPLEMENTATION	<u>300,000</u>
5	TOTAL AMOUNT APPROPRIATED	<u><u>\$38,932,807</u></u>

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 7 SECTION 4. REGULAR SALARIES - OFFICE OF EDUCATION RENEWAL ZONES. There
 8 is hereby established for the Department of Education - Division of
 9 Elementary and Secondary Education - Office of Education Renewal Zones for
 10 the 2026-2027 fiscal year, the following maximum number of regular employees.
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12		Maximum Annual
13		Salary Rate
14	Item Class	Fiscal Year
15	No. Code Title	2026-2027
16	(1) EEP03P EDUCATION PROGRAM COORDINATOR	3 GRADE SGS07
17	(2) PAS02P ADMINISTRATIVE COORDINATOR	<u>1</u> GRADE SGS04
18	MAX. NO. OF EMPLOYEES	4

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 20 SECTION 5. APPROPRIATION - OFFICE OF EDUCATION RENEWAL ZONES. There is
 21 hereby appropriated, to the Department of Education, to be payable from the
 22 Division of Elementary and Secondary Education Public School Fund Account,
 23 for personal services, operating expenses, and grants by the Department of
 24 Education - Division of Elementary and Secondary Education - Office of
 25 Education Renewal Zones for the fiscal year ending June 30, 2027, the
 26 following:
 27

28	ITEM	FISCAL YEAR
29	NO.	2026-2027
30	(01) REGULAR SALARIES	\$145,568
31	(02) PERSONAL SERVICES MATCHING	58,129
32	(03) MAINT. & GEN. OPERATION	
33	(A) OPER. EXPENSE	25,000
34	(B) CONF. & TRAVEL	3,000
35	(C) PROF. FEES	0
36	(D) CAP. OUTLAY	0

1	(E) DATA PROC.	0
2	(04) EDUCATIONAL RENEWAL ZONE GRANTS	<u>1,101,150</u>
3	TOTAL AMOUNT APPROPRIATED	<u>\$1,332,847</u>

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5 SECTION 6. APPROPRIATION - SEXUAL RISK AVOIDANCE EDUCATION PROGRAM.

6 There is hereby appropriated, to the Department of Education, to be payable

7 from the Division of Elementary and Secondary Education Public School Fund

8 Account, for personal services, operating expenses, and grants and aid for

9 the Sexual Risk Avoidance Education Program by the Department of Education -

10 Division of Elementary and Secondary Education - Sexual Risk Avoidance

11 Education Program for the fiscal year ending June 30, 2027, the following:

12		
13	ITEM	FISCAL YEAR
14	<u>NO.</u>	<u>2026-2027</u>
15	(01) SEXUAL RISK AVOIDANCE EDUCATION PROGRAM	<u>\$4,000,000</u>

16

17 SECTION 7. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS

18 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

19 FUND ALLOCATION. The appropriation for the Isolated Funding line item in the

20 Grants and Aid to Local School Districts and Special Programs section of this

21 Act may be fully funded. Any funding and appropriation for Isolated Funding

22 that is not utilized shall be transferred to the appropriation for Special

23 Needs Isolated Funding in the Grants and Aid to Local School Districts and

24 Special Programs section of this Act and shall be used there for fully

25 funding each subsection (c) through (f) of Arkansas Code § 6-20-604 on a pro

26 rata basis until the available funds are exhausted. Pro rata basis is defined

27 as providing each district qualifying for additional funding under

28 subsections (c) through (f) a proportionate share based on how each

29 district's additional funding amount bears to the total additional funding

30 amounts for all qualifying districts. If any funding and appropriation

31 remains after funding each subsection (c) through (f) of Arkansas Code § 6-

32 20-604 the remaining balance shall be used to fund the provisions of Arkansas

33 Code § 6-20-604 (h) on an equal basis until the available funds are

34 exhausted.

35 The provisions of this section shall be in effect only from July 1, ~~2025~~

36 2026 through June 30, ~~2026~~ 2027.

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2 SECTION 8. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
3 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
4 GRANTS TO SCHOOL DISTRICTS. For the purposes of distributing the Grants To
5 School Districts appropriation in the Grants and Aid to Local School
6 Districts and Special Programs section of this Act, "school district" means a
7 school district which contracts with a school district in an adjoining state
8 for the education of some of the pupils within the Arkansas school district
9 because the portion of the school district wherein such pupils live is
10 completely separated from the remainder of the school district by a reservoir
11 covering at least 12,000 acres at normal water level, and where to attend
12 school in their own district, the pupils of said portion would be required to
13 travel or to be transported a distance (measured by the nearest highway or
14 road route) of more than 35 miles round trip and pass through another school
15 district or districts. The Department of Education shall distribute the
16 monies appropriated for Grants to School Districts in the Grants and Aid to
17 Local School Districts and Special Programs section of this Act to such
18 school districts as reimbursement for expenses incurred in educating the
19 pupils residing in the separated portion of the school district. The payments
20 are to be limited to the amount of available appropriation. Such school
21 districts shall file a request for reimbursement with the Department of
22 Education and provide the Department of Education with such documentation as
23 is deemed necessary.

24 The provisions of this section shall be in effect only from July 1, ~~2025~~
25 2026 through June 30, ~~2026~~ 2027.

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27 SECTION 9. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
28 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
29 SPECIAL EDUCATION SERVICES. The funds appropriated in the line item "Special
30 Education Services" in the Grants and Aid to Local School Districts and
31 Special Programs section of this Act shall be used to provide extended year
32 summer programs for handicapped students in need of such services, to provide
33 special education services to foster children who are wards of the State, and
34 to provide funds for the payment of salaries of special education
35 supervisors. The Department of Education shall distribute such funds in the
36 manner necessary to carry out the intent of this Section.

1 The provisions of this section shall be in effect only from July 1, ~~2025~~
2 2026 through June 30, ~~2026~~ 2027.

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4 SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
5 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

6 TRANSFER AUTHORITY. The Commissioner of the Department of Education, with the
7 approval of the Chief Fiscal Officer of the State and after approval by the
8 Arkansas Legislative Council or Joint Budget Committee, is hereby authorized
9 to request necessary appropriation transfers and any other budget related
10 adjustments necessary within the Department of Education. Provided, however,
11 that the Department of Education shall be limited to submitting no more than
12 two transfer requests during any fiscal year.

13 Determining the maximum number of employees and the maximum amount of
14 appropriation and general revenue funding for a state agency each fiscal year
15 is the prerogative of the General Assembly. This is usually accomplished by
16 delineating such maximums in the appropriation act(s) for a state agency and
17 the general revenue allocations authorized for each fund and fund account by
18 amendment to the Revenue Stabilization law. Further, the General Assembly
19 has determined that the Department of Education may operate more efficiently
20 if some flexibility is provided to the Commissioner of the Department of
21 Education authorizing broad powers under the Transfer Authority provision
22 herein. Therefore, it is both necessary and appropriate that the General
23 Assembly maintain oversight by requiring prior approval of the Legislative
24 Council or Joint Budget Committee as provided by this section. The
25 requirement of approval by the Legislative Council or Joint Budget Committee
26 is not a severable part of this section. If the requirement of approval by
27 the Legislative Council or Joint Budget Committee is ruled unconstitutional
28 by a court jurisdiction, this entire section is void.

29 The provisions of this section shall be in effect only from July 1, ~~2025~~
30 2026 through June 30, ~~2026~~ 2027.

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32 SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
33 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

34 AETN DOCUMENTED QUIZ BOWL COSTS. Of the total amount of appropriation and
35 funds authorized herein to the Department of Education for the Quiz Bowl each
36 fiscal year, an amount not to exceed forty thousand dollars (\$40,000) each

1 fiscal year may be made available to the Department of Education -
2 Educational Television Division for its documented costs associated with the
3 Quiz Bowl.

4 The provisions of this section shall be in effect only from July 1, ~~2025~~
5 2026 through June 30, ~~2026~~ 2027.

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7 SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
8 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

9 RETIREMENT MATCHING. Beginning with the 1996-97 school year, Local School
10 Districts shall pay the teacher retirement employer contribution rate for any
11 eligible employee in accordance with rules and regulations established by the
12 Teacher Retirement Board of Directors. The appropriation contained herein for
13 Teacher Retirement Matching each fiscal year shall be used to provide the
14 employer matching for employees of the Cooperative Education Services Areas,
15 Vocational Centers, Arkansas Easter Seals and the school operated by the
16 Department of Correction.

17 The provisions of this section shall be in effect only from July 1, ~~2025~~
18 2026 through June 30, ~~2026~~ 2027.

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20 SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
21 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

22 BETTER CHANCE PROGRAM ADMINISTRATIVE FEES. The Department of Education is
23 hereby authorized to expend a maximum of two percent (2%) of available funds
24 for administration of the Better Chance Program. Up to 1.8% of available
25 funds shall be used to administer the program and to monitor program grantees
26 to ensure compliance with programmatic standards. Prior to the utilization of
27 the remaining 0.2% of available funds, the Department of Education shall seek
28 prior review and approval of the Arkansas Legislative Council or Joint Budget
29 Committee by providing a written request to include the following: a) the
30 Department's reason(s) for the use of the funds and b) the amount of funds
31 that will be expended. The Department may contract with the Division of
32 Elementary and Secondary Education to administer the program.

33 Determining the maximum number of employees and the maximum amount of
34 appropriation and general revenue funding for a state agency each fiscal year
35 is the prerogative of the General Assembly. This is usually accomplished by
36 delineating such maximums in the appropriation act(s) for a state agency and

1 the general revenue allocations authorized for each fund and fund account by
2 amendment to the Revenue Stabilization law. Therefore, it is both necessary
3 and appropriate that the General Assembly maintain oversight by requiring
4 prior approval of the Legislative Council or Joint Budget Committee as
5 provided by this section. The requirement of approval by the Legislative
6 Council or Joint Budget Committee is not a severable part of this section.
7 If the requirement of approval by the Legislative Council or Joint Budget
8 Committee is ruled unconstitutional by a court of competent jurisdiction,
9 this entire section is void.

10 The provisions of this section shall be in effect only from July 1, ~~2025~~
11 2026 through June 30, ~~2026~~ 2027.

12
13 SECTION 14. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
14 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

15 CARRY FORWARD - ARKANSAS BETTER CHANCE. Any unexpended balance of monies
16 allocated for the Arkansas Better Chance for School Success Program remaining
17 on June 30, ~~2026~~ 2027, in the Division of Elementary and Secondary Education
18 Public School Fund Account shall be designated and retained for the Arkansas
19 Better Chance for School Success Program.

20 Any carry forward of unexpended balance of funding as authorized herein,
21 may be carried forward under the following conditions:

22 (1) Prior to June 30, ~~2026~~ 2027 the Agency shall by written statement set
23 forth its reason(s) for the need to carry forward said funding to the
24 Department of Finance and Administration Office of Budget;

25 (2) The Department of Finance and Administration Office of Budget shall
26 report to the Arkansas Legislative Council or Joint Budget Committee all
27 amounts carried forward by the September Arkansas Legislative Council or
28 Joint Budget Committee meeting which report shall include the name of the
29 Agency, Board, Commission or Institution and the amount of the funding
30 carried forward, the program name or line item, the funding source of that
31 appropriation and a copy of the written request set forth in (1) above;

32 (3) Each Agency, Board, Commission or Institution shall provide a written
33 report to the Arkansas Legislative Council or Joint Budget Committee
34 containing all information set forth in item (2) above, along with a written
35 statement as to the current status of the project, contract, purpose etc. for
36 which the carry forward was originally requested no later than thirty (30)

1 days prior to the time the Agency, Board, Commission or Institution presents
2 its budget request to the Arkansas Legislative Council/Joint Budget
3 Committee; and

4 (4) Thereupon, the Department of Finance and Administration shall include
5 all information obtained in item (3) above in the budget manuals and/or a
6 statement of non-compliance by the Agency, Board, Commission or Institution.

7 The provisions of this section shall be in effect only from July 1, ~~2025~~
8 2026 through June 30, ~~2026~~ 2027.

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10 SECTION 15. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
11 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

12 ARKANSAS/STRIVE PROGRAM TRANSFER. The Chief Fiscal Officer of the State
13 shall transfer on his books and those of the State Treasurer and the State
14 Auditor, the sum of two hundred thousand dollars (\$200,000) during each
15 fiscal year from the Division of Elementary and Secondary Education Public
16 School Fund Account to the University of Arkansas at Little Rock Fund,
17 specifically to provide funding for the Arkansas/STRIVE Program. The total
18 amount of funds transferred each fiscal year pursuant to this section shall
19 not be subject to any indirect costs by the University of Arkansas at Little
20 Rock.

21 The provisions of this section shall be in effect only from July 1, ~~2025~~
22 2026 through June 30, ~~2026~~ 2027.

23
24 SECTION 16. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
25 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

26 ARKANSAS GOVERNOR'S SCHOOL FUNDING. The Department of Education shall
27 allocate, budget and commit for expenditure two hundred fifty thousand
28 dollars (\$250,000), in addition to funds already being provided for the
29 Arkansas Governor's School, to fund the appropriation authorized from general
30 revenue for the Gifted and Talented program as appropriated in the Grants and
31 Aid to Local School Districts and Special Programs section herein. With this
32 additional funding either the department shall increase the number of grants
33 for AEGIS summer enrichment programs, or the duration of the Arkansas
34 Governor's School shall be extended from four (4) weeks to six (6) weeks.

35 The provisions of this section shall be in effect only from July 1, ~~2025~~
36 2026 through June 30, ~~2026~~ 2027.

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SECTION 17. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. EAST FUNDING PROVISION. Of the total amount appropriated for Technology Grants each fiscal year, an amount of not less than three million five thousand dollars (\$3,005,000) or eighteen percent (18%), whichever is greater each fiscal year, shall be awarded through a grant or professional services contract for the EAST Initiative. Not less than one million dollars (\$1,000,000) of the three million five thousand dollars (\$3,005,000) or eighteen percent (18%) of the Technology Grants Line Item awarded to the EAST Initiatives shall be used for EAST infrastructure and personnel growth for the establishment of new programs. The remaining funding shall be used for existing EAST infrastructure, personnel, and operating expenses of the EAST Initiative. The EAST infrastructure grant or contract for personal services and operating expenses shall be awarded to an entity that has personnel or experience, or both, in implementing the EAST Initiative.

The provisions of this section shall be in effect only from July 1, ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

SECTION 18. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. INTERVENTION BLOCK GRANTS FUNDING RESTRICTION. The Department of Education shall make available from the Intervention Block Grants appropriation authorized by this Act, one hundred thousand dollars (\$100,000) each fiscal year for the annual expenses of the Quiz Bowl, thirteen thousand five hundred dollars (\$13,500) each fiscal year for Creativity in Arkansas, Inc. for grants up to \$1,000 each for students and chaperones, thirteen thousand five hundred dollars (\$13,500) each fiscal year for Destination Imagination, one hundred thousand dollars (\$100,000) each fiscal year for the State History Day Competition, and seventy-five thousand dollars (\$75,000) each fiscal year for a grant to the Arkansas Science Fair Association for grants to regional and the state science fairs. The Department of Education shall allocate General Revenue funding totaling no less than three hundred two thousand dollars (\$302,000) each fiscal year from the Division of Elementary and Secondary Education Public School Fund Account to support the annual expenses of the Quiz Bowl, the Creativity in Arkansas, Inc. for grants up to \$1,000

1 each for students and chaperones, Destination Imagination, the State History
2 Day Competition, and the Arkansas Science Fair Association for grants to
3 regional and state science fairs. The Department shall either expend or have
4 committed for expenditure the monies allocated for the Quiz Bowl, Creativity
5 in Arkansas, Inc., Destination Imagination, the State History Day
6 Competition, and Arkansas Science Fair Association grants as authorized
7 herein in order to fulfill the provisions of this section.

8 The provisions of this section shall be in effect only from July 1, ~~2025~~
9 2026 through June 30, ~~2026~~ 2027.

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11 SECTION 19. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
12 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
13 PROFESSIONAL DEVELOPMENT.

14 (a) Of the total amount appropriated for Professional Development
15 Funding, three million five hundred thousand dollars (\$3,500,000) may be
16 authorized by the Commissioner of the Department of Education to be used by
17 the Department of Education to develop and implement statewide professional
18 development support systems for teachers that will benefit student
19 achievement.

20 (b)(1) The Department of Education shall annually report the following
21 information concerning the Arkansas Online Professional Development
22 Initiative under § 6-17-707:

- 23 (1) Annual expenditure information;
- 24 (2) Statistical information pertaining to users of the
25 initiative;
- 26 (3) Course offerings;
- 27 (4) Course hours completed; and
- 28 (5) Certificates awarded.

29 (2) The report under subsection (b)(1) of this section shall be
30 annually submitted by August 1 to the:

- 31 (1) Governor;
- 32 (2) Legislative Council or, if the General Assembly is
33 in session, the Joint Budget Committee;
- 34 (3) Senate Committee on Education;
- 35 (4) House Committee on Education; and
- 36 (5) Department of Finance and Administration.

1 (c) The provisions of this section shall be in effect only from July 1,
2 ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

3
4 SECTION 20. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
5 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
6 ESA MATCHING GRANT PROGRAM.

7 (a)(1) Of the appropriation and funding for the ESA MATCHING GRANT
8 PROGRAM Item in the Grants and Aid to Local School Districts and Special
9 Programs section of this Act, five million three hundred thousand dollars
10 (\$5,300,000) shall be set aside by the Department of Education and shall be
11 used for school district expenditures for evidence-based programs to improve
12 academic achievement of identified national school lunch students.

13 (2) These programs shall be limited to:

14 (A) Tutors as set out in § 6-20-2305(b)(4)(C)(i)(b)(4);

15 (B) Before-school academic programs and after-school academic
16 programs, including transportation to and from the programs
17 under § 6-20-2305(b)(4)(C)(i)(b)(2); and

18 (C) Prekindergarten programs under § 6-20-2305(b)(4)(C)(i)(b)(3).

19 (b)(1) Set aside funds authorized in subsection (a) of this section
20 shall be distributed to school districts on a dollar for dollar matching
21 basis of school district expenditures for programs under subsection (a) of
22 this section on a pro rata basis until the available funds are exhausted.

23 (2) As used in this subsection, "pro rata basis" means providing
24 each district qualifying for additional funding in a proportionate share
25 based on how each district's expenditure bears to the total of funding
26 provided in subsection (a) of this section for all qualifying districts as
27 determined by the Department of Education.

28 (c) If any funding remains after funding subsection (b) of this
29 section, that remaining balance shall be carried over to the following fiscal
30 year for the same purposes as provided in this section.

31 (d) The Department of Education shall adopt rules as necessary to
32 implement this section.

33 (e) The provisions of this section shall be in effect only from July 1,
34 ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

35
36 SECTION 21. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS

1 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
2 R.I.S.E. ARKANSAS. The appropriation for the R.I.S.E. Arkansas line item in
3 the Grants and Aid to Local School Districts and Special Programs section of
4 this Act shall be used for the coordination of a statewide reading campaign
5 with community partners, parents, and teachers to establish the importance of
6 reading in homes, schools, and communities.

7 The provisions of this section shall be in effect only from July 1,
8 ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

9

10 SECTION 22. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
11 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
12 ENHANCED STUDENT ACHIEVEMENT FUNDING NAME CHANGE. Any appropriation titled
13 "ENHANCED STUDENT ACHIEVEMENT FUNDING" or abbreviated as "ESA" as named by
14 SB605 of 2019 may also be known as "NATIONAL SCHOOL LUNCH" funding or
15 abbreviated as "NSL" and shall be used for the same purposes as set out in
16 law.

17 The provisions of this section shall be in effect only from July 1, ~~2025~~
18 2026 through June 30, ~~2026~~ 2027.

19

20 SECTION 23. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
21 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
22 ARKANSAS GOVERNOR'S SCHOOL CURRICULUM. Prior to the beginning of the
23 Arkansas Governor's School Program each year, the Arkansas Department of
24 Education shall review and approve the proposed curriculum for the program
25 year and shall maintain oversight of its implementation for consistency and
26 accuracy.

27 The provisions of this section shall be in effect only from July 1,
28 ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

29

30 SECTION 24. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
31 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. HIGH
32 QUALITY INSTRUCTIONAL MATERIALS. Of the amount appropriated from the
33 Division of Elementary and Secondary Education - Public School Fund for
34 R.I.S.E. Arkansas, up to nine million five hundred thousand dollars
35 (\$9,500,000) may be used for the purchase and distribution of high quality
36 instructional materials in accordance with Arkansas Code § 6-17-429(f).

1 The provisions of this section shall be in effect only from July 1,
2 ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

3
4 SECTION 25. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
5 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. DIVISION
6 OF ELEMENTARY AND SECONDARY EDUCATION PUBLIC SCHOOL FUND AND EDUCATIONAL
7 ADEQUACY FUND DISTRIBUTION AND FUND BALANCE REPORT. (a) The Department of
8 Education shall submit quarterly a "Division of Elementary and Secondary
9 Education Public School Fund Distribution and Balance" report to the Arkansas
10 Legislative Council PEER Subcommittee or, if meeting in a Legislative
11 Session, the Joint Budget Committee PEER/Review Subcommittee no later than
12 ten days prior to the Subcommittee's scheduled meeting date.

13 (1) The report shall summarize the current total fund balance and
14 the past five Fiscal Year ending total fund balances of the Division of
15 Elementary and Secondary Education - Public School Fund.

16 (2) The report shall contain, cumulatively over the course of the
17 fiscal year, by quarter a summary of the itemized totals distributed from
18 each subfund of the Division of Elementary and Secondary Education - Public
19 School Fund and each subfund shall be organized as restricted or unrestricted
20 in spending purpose.

21 (b) The Department of Education shall submit monthly an "Educational
22 Adequacy Fund Distribution and Balance" report to the Arkansas Legislative
23 Council PEER Subcommittee or, if meeting in a Legislative Session, the Joint
24 Budget Committee PEER/Review Subcommittee no later than ten days prior to the
25 Subcommittee's scheduled meeting date.

26 (1) The report shall summarize the current total fund balance and
27 the past five Fiscal Year ending total fund balances of the Educational
28 Adequacy Fund.

29 (2) The report shall contain the following:

30 (A) Monthly beginning fund balance;

31 (B) Monthly Distribution report with total distributions to
32 the Division of Elementary and Secondary Education Public
33 School Fund Account and the Division of Elementary and
34 Secondary Education Fund Account; and

35 (C) Amount of certified funding obligation remaining to the
36 Division of Elementary and Secondary Education Public

1 School Fund Account and the Division of Elementary and
2 Secondary Education Fund Account for the fiscal year.

3 (c) The provisions of this section shall be in effect only from July 1,
4 ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

5

6 SECTION 26. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code § 6-17-
7 1117(a), concerning the health insurance contribution rate for public school
8 employees, is amended to read as follows:

9 ~~(a)(1) Beginning January 1, 2023, a school district shall pay each~~
10 ~~month for each eligible employee electing to participate in the public school~~
11 ~~employees' health insurance program the health insurance contribution rate~~
12 ~~enacted by the General Assembly.~~

13 ~~(2) The House Committee on Education and the Senate Committee on~~
14 ~~Education through the biennial adequacy review process required by § 10-3-~~
15 ~~2102 shall provide a health contribution rate recommendation to the General~~
16 ~~Assembly.~~

17

18 SECTION 27. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code § 6-20-
19 2305(b)(6)(B)(iv), concerning the continuation of teacher salary equalization
20 funds, is repealed.

21 ~~(iv) A school district shall continue to receive~~
22 ~~teacher salary equalization funds in the same amount as the preceding fiscal~~
23 ~~year in addition to the amount eligible for the current fiscal year.~~

24

25 SECTION 28. DO NOT CODIFY. LEGISLATIVE INTENT.

26 It is the intent of the General Assembly that Sections 28 - 33 of this
27 act apply to:

28 (1) An isolated school district created by a detachment election
29 during the 2026 annual school election under Arkansas Code § 6-13-1801;

30 (2) An existing district from which a newly created isolated
31 school district was created under Arkansas Code § 6-13-1801; and

32 (3) Any future isolated school district created and governed by
33 Arkansas Code § 6-13-1801 et seq.

34

35 SECTION 29. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code § 6-13-
36 1801 is amended to read as follows:

1 6-13-1801. Isolated school district – Formation – Definition.

2 (a)(1) An isolated school may detach from ~~a resulting or receiving an~~
3 existing district if the isolated school submits a petition to the ~~resulting~~
4 ~~or receiving school~~ existing district board of directors that states the
5 intent to reestablish the original isolated school and that contains the
6 signatures of:

7 (A) No less than three hundred fifty (350) registered
8 voters who reside within the boundaries of the isolated school; or

9 (B) No less than fifty-one percent (51%) of the registered
10 voters who reside within the boundaries of the isolated school.

11 (2)(A) The ~~resulting or receiving school~~ existing district board
12 of directors shall request the county clerk of the county in which the
13 ~~resulting or receiving school~~ existing district is located to verify the
14 signatures submitted in a petition under subdivision (a)(1) of this section
15 within five (5) business days of receipt of a petition under subdivision
16 (a)(1) of this section.

17 (B) Upon request, a county clerk of the county in which
18 the ~~resulting or receiving school~~ existing district is located shall verify
19 the signatures within five (5) days of receipt of a request from the
20 ~~resulting or receiving school~~ existing district board of directors under
21 subdivision (a)(2)(A) of this section.

22 (3) The ~~resulting or receiving school~~ existing district board of
23 directors shall review a petition submitted under subdivision (a)(1) of this
24 section and call ~~an~~ a detachment election under subdivision (a)(1) of this
25 section to be held for the voters who reside within the school district
26 boundaries of the isolated school before it consolidated with the ~~resulting~~
27 ~~or receiving~~ existing district on the issue of an isolated school detaching
28 from ~~a resulting or receiving an existing~~ district at the next annual school
29 election.

30 (b)(1) An isolated school district may be formed from an isolated
31 school within ~~a resulting or receiving an existing~~ district that was annexed
32 or consolidated with another school district under the Public Education
33 Reorganization Act, § 6-13-1601 et seq., following the submission and
34 approval of a petition under subsection (a) of this section.

35 (2) In order to qualify as an isolated school district, the
36 isolated school within ~~a resulting or receiving an existing~~ district that was

1 annexed or consolidated with another school district under the Public
2 Education Reorganization Act, § 6-13-1601 et seq., shall have been in
3 operation for kindergarten through grade twelve (K-12) within two (2) years
4 of the date on which the isolated school applies under this subchapter.

5 (c) The minimum school enrollment to establish a new public school
6 district shall not apply when forming an isolated school district under this
7 subchapter.

8 (d) As used in this subchapter, "existing district" means a public
9 school district that was formed as a result of the administrative
10 consolidation or annexation of an isolated school under § 6-20-602.

11
12 SECTION 30. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code § 6-13-
13 1803(a), concerning an election to establish the millage rate of a newly
14 formed isolated school district, is amended to read as follows:

15 (a)(1) An election within the boundaries of an isolated school
16 district shall be held to establish the millage rate for the isolated school
17 district as required under § 26-80-111.

18 (2) The millage rate of the existing district that was
19 established before the detachment election conducted under this subchapter
20 shall be the millage rate for the isolated school district formed under § 6-
21 13-1801.

22
23 SECTION 31. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code § 6-13-
24 1803(c), concerning the determination of the prior-year average daily
25 membership of a newly formed isolated school district, is amended to read as
26 follows:

27 (c) If an isolated school district begins operations at the beginning
28 of the following school year after detaching from ~~a local public school~~ an
29 existing district under which the proposed isolated school district currently
30 operates, the prior-year average daily membership of the isolated school
31 shall be subtracted from the prior-year average daily membership of the ~~local~~
32 ~~public school~~ existing district under which the isolated school previously
33 operated.

34
35 SECTION 32. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code §§ 6-13-
36 1804 and 6-13-1805 are amended to read as follows:

1 6-13-1804. Facilities and property.

2 (a)(1) ~~A local public school~~ An existing district under which a
3 proposed isolated school district currently operates shall agree in writing
4 to release ownership of the isolated school's facilities and any accompanying
5 debt on the facilities to the isolated school district.

6 (2) The written release form required under subdivision (a)(1)
7 of this section shall be signed by the president of the school district board
8 of directors of the ~~local public school~~ existing district under which the
9 proposed isolated school district currently operates and shall be included in
10 the application submitted by the proposed isolated school district.

11 (b)(1) Ownership of a school bus acquired with isolated school funds
12 in the previous two (2) school years shall be transferred to the ~~resulting~~
13 isolated school district formed under this subchapter.

14 (2) If a school bus was not acquired with isolated school funds
15 in the previous two (2) school years, then the ownership of the number of
16 school buses transferred to the isolated school district formed under this
17 subchapter shall be equal to the lesser of:

18 (A) The number of buses dedicated primarily to delivering
19 students to and from the isolated school in the previous two (2) years of
20 operation of the existing district under which the isolated school previously
21 operated; or

22 (B) The percentage of the total number of buses owned by
23 the existing district that is equal to the percentage of students attending
24 the isolated school in the prior year according to the first three-quarter
25 average daily membership.

26 (c) Isolated school funds received by the ~~local public school~~ existing
27 district under which the proposed isolated school district currently operates
28 within four (4) months of the end of the ~~local public school~~ existing
29 district's fiscal year on June 30 shall be transferred to the resulting
30 isolated school district.

31 (d) Ownership of all personal property and fixtures, including without
32 limitation furnishings, equipment, textbooks, computers, technology, phone
33 systems, audio-video systems, athletic equipment, and machinery at an
34 isolated school ~~currently operating within a local public~~ located in a
35 resulting isolated school district that is the property of the existing
36 district at the time of a detachment election held under this subchapter

1 shall be transferred to the resulting isolated school district.

2 (e)(1) An existing district shall transfer to the isolated school
3 district that previously operated under the existing district a sum equal to
4 ninety percent (90%) of the foundation funding awarded for each student who
5 currently attends the isolated school based on the prior-year first three-
6 quarter average daily membership of the public school that is proposed to
7 operate as an isolated school district.

8 (2) The payment of foundation funds required under subdivision
9 (e)(1) of this section shall be made under § 6-13-1806(e).

10 (f)(1) An isolated school district shall assume all the debt of the
11 existing district if the debt is directly related to the real property
12 transferred to the isolated school district under this section.

13 (2) Debt is directly related to the real property transferred to
14 the isolated school district under this section if the debt is related to a
15 capital project that is located on the isolated school district campus.

16 (3) In order to comply with this subsection, an isolated school
17 district may:

18 (A) Refinance any debt assumed under subdivision (f)(1) of
19 this section through the issuance of new bonds; or

20 (B) Enter into a contract to pay the existing district
21 under which the isolated school district previously operated and that holds
22 the debt the amount necessary to satisfy the debt repayment obligations.

23 (g)(1) An existing district shall hold all personal property and
24 fixtures that will be transferred to a resulting isolated school district
25 under this section in a trust until the isolated school district is able to
26 take custody of the personal property and fixtures.

27 (2)(A) An isolated school district shall have a civil cause of
28 action to enforce the distribution of ownership of personal property and
29 fixtures under this section.

30 (B) A court of competent jurisdiction may provide any
31 legal or equitable remedy necessary to give effect to the provisions of this
32 subchapter.

33 (C) If a civil cause of action is initiated and a court of
34 competent jurisdiction determines that an existing district or an
35 administrator of an existing district has concealed, removed, wasted,
36 divested, or withheld any personal property or fixture that belongs to an

1 isolated school district according to this section, then the court may:

2 (i) Assess punitive damages up to three (3) times
 3 the amount of the value of the personal property or fixture that was
 4 concealed, removed, wasted, divested, or withheld;

5 (ii) Award attorney's fees to the prevailing party;
 6 and

7 (iii) Take other appropriate actions to ensure
 8 compliance with the requirements of this subchapter.

9 (h)(1) Nothing in this subchapter shall prohibit an existing district
 10 and an isolated school district formed under this subchapter from agreeing to
 11 a division of personal property, fixtures, and other assets, including
 12 without limitation any funding, that is not otherwise prescribed in this
 13 subchapter.

14 (2) An agreement entered into under subdivision (h)(1) of this
 15 section shall be enforceable by a court of competent jurisdiction.

16
 17 6-13-1805. Management.

18 ~~A~~ Until a duly elected or appointed isolated school district board of
 19 directors selects a superintendent, an isolated school district shall be
 20 managed by:

21 (1) A director hired by the isolated school district;

22 (2) A director appointed by the Division of Elementary and
 23 Secondary Education to oversee operations of all isolated school districts in
 24 the state; or

25 (3) Any other director or superintendent the division appoints
 26 to the isolated school district.

27
 28 SECTION 33. SPECIAL LANGUAGE - CODE AMENDMENT. Arkansas Code Title 6,
 29 Chapter 13, Subchapter 18, is amended to add additional sections to read as
 30 follows:

31 6-13-1806. Transition period following a detachment election -
 32 Certification of initial operations of isolated school district.

33 (a) Following the formation of an isolated school district, an
 34 existing district shall continue to operate in the same manner as it did
 35 immediately before the detachment election in which the isolated school
 36 district was created under § 6-13-1801 and shall continue to educate all

1 students enrolled in the existing district.

2 (b) Except as otherwise provided in this subchapter, the funds
3 provided to an existing district under § 6-20-2305 shall continue to be
4 provided to the existing district following the detachment election forming
5 an isolated school district under § 6-13-1801 until:

6 (1) The isolated school district certifies with the existing
7 district that it is ready to begin operations at the isolated school
8 district; and

9 (2) The last day of school in the existing district occurs, if
10 the certification under subdivision (b)(1) of this section is made after July
11 15 of each year.

12 (c) An isolated school district may certify that it is ready to begin
13 operations when the isolated school district has:

14 (1) Selected and employed an isolated school district
15 superintendent or other official authorized under this subchapter who has the
16 authority to act on behalf of the isolated school district;

17 (2)(A) Employed officials who are authorized by the Division of
18 Elementary and Secondary Education to receive state funding.

19 (B) An official shall not be authorized to receive state
20 funding under subdivision (c)(2)(A) of this section until he or she completes
21 any training required by the division that is related to state funding;

22 (3) Established accounts at a financial institution that is
23 eligible to receive state funds;

24 (4) Been assigned a local education agency number by the
25 division;

26 (5) Taken the steps necessary to begin to enroll students as
27 determined by the division; and

28 (6) Established a school calendar that sets a date for the new
29 isolated school district to begin the school year in the initial year of
30 operation.

31 (d)(1) Certification under this section shall be made by submitting to
32 the following entities a signed statement attested to under penalty of
33 perjury that the requirements of this section have been satisfied:

34 (A) The Commissioner of Elementary and Secondary
35 Education; and

36 (B) The superintendent of the existing district.

1 (2) If the certification under subdivision (d)(1) of this
2 section is filed:

3 (A) On or before July 15 of each year, then the isolated
4 school district shall begin operations in the fiscal year beginning on July 1
5 of each year; and

6 (B) After July 15 of each year, then the isolated school
7 district shall begin operations in the following fiscal year.

8 (e) The funding allocated under § 6-13-1804(e) shall be transferred
9 from an existing district to a newly created isolated school district in
10 accordance with the following schedule until all allocated funds under § 6-
11 13-1804(e) have been transferred:

12 (1) Twenty-five percent (25%) shall be transferred within ten
13 (10) business days of notice that the isolated school district:

14 (A) Selects an isolated school district superintendent or
15 other official authorized under this subchapter who has the authority to act
16 on behalf of the isolated school district; and

17 (B) Establishes accounts at a financial institution that
18 is eligible to receive state funds;

19 (2) An additional twenty-five percent (25%) shall be transferred
20 on December 31 of the year in which a detachment election under this
21 subchapter is held if the isolated school district has not yet begun
22 operations; and

23 (3) The remaining amount of the isolated school district's funds
24 awarded under this subchapter shall be transferred when the isolated school
25 district certifies it is ready to begin operations as specified under this
26 section.

27
28 6-13-1807. Time period to begin operations.

29 (a) An isolated school district shall have up to sixteen (16) months
30 from the date of a detachment election held under this subchapter to certify
31 under § 6-13-1806 that the isolated school district is ready to begin
32 operations.

33 (b) If an isolated school district has not certified that it is ready
34 to begin operations under § 6-13-1806 within the time required under
35 subsection (a) of this section, then the isolated school district board of
36 directors may:

1 (1) Seek to voluntarily consolidate with another public school
2 district; or

3 (2) Dissolve the newly created isolated school district and
4 return to the existing district under which it previously operated.

5 (c) If no action is taken under subsection (b) of this section within
6 twenty-four (24) months from the date of a detachment election held under
7 this subchapter, then the isolated school district shall be dissolved by
8 operation of law, and all property held by and geographic area comprising the
9 isolated school district shall return to the existing district.

10
11 6-13-1808. First year of operation – Enrollment of students.

12 (a) An isolated school district may begin enrolling students following
13 its establishment under this subchapter.

14 (b) If an isolated school district has not yet begun to operate as
15 indicated under § 6-13-1806, then the enrollment of a student in the isolated
16 school district shall:

17 (1) Be prospective;

18 (2) Not be construed to remove the student from enrollment in
19 the student's current public school district; and

20 (3) Not relieve the student's current school district from its
21 obligation to educate the student.

22 (c) A student is a resident of an existing district under this
23 subchapter for purposes of funding and all relevant applicable law if the
24 student:

25 (1) Is eligible to attend public school in Arkansas; and

26 (2) Establishes residency inside the boundary of the isolated
27 school district before the isolated school district begins operations under
28 this subchapter.

29 (d) A student may continue to attend an existing district until the
30 student graduates or establishes residency in another public school district
31 if the student:

32 (1) Resides in the boundaries of the isolated school district;
33 and

34 (2) Attends the existing district at the time the isolated
35 school district begins operations under this subchapter.

36

1 6-13-1809. Terms of office for members of an existing district board
2 of directors.

3 (a) The creation of an isolated school district under this subchapter
4 does not create an immediate vacancy on the board of directors of an existing
5 district when a member of the board of directors of the existing district
6 resides in the newly created isolated school district.

7 (b) To ensure all students of an existing district are represented, a
8 member of a board of directors of the existing district who resides in a
9 newly created isolated school district shall continue to be qualified to hold
10 his or her office until the isolated school district:

11 (1) Begins operations;

12 (2) Consolidates with another public school district; or

13 (3) Dissolves.

14 (c) A member of a board of directors of an existing district shall
15 remain qualified to hold his or her seat if he or she establishes residency
16 inside the boundary of an existing district and within the appropriate zone
17 if he or she is elected by zone before an isolated school district begins
18 operations or consolidates with another public school district.

19
20 SECTION 34. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
21 authorized by this act shall be limited to the appropriation for such agency
22 and funds made available by law for the support of such appropriations; and
23 the restrictions of the State Procurement Law, the General Accounting and
24 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
25 Procedures and Restrictions Act, or their successors, and other fiscal
26 control laws of this State, where applicable, and regulations promulgated by
27 the Department of Finance and Administration, as authorized by law, shall be
28 strictly complied with in disbursement of said funds.

29
30 SECTION 35. LEGISLATIVE INTENT. It is the intent of the General
31 Assembly that any funds disbursed under the authority of the appropriations
32 contained in this act shall be in compliance with the stated reasons for
33 which this act was adopted, as evidenced by the Agency Requests, Executive
34 Recommendations and Legislative Recommendations contained in the budget
35 manuals prepared by the Department of Finance and Administration, letters, or
36 summarized oral testimony in the official minutes of the Arkansas Legislative

1 Council or Joint Budget Committee which relate to its passage and adoption.

2
3 SECTION 36. EMERGENCY CLAUSE.

4 (a) It is found and determined by the General Assembly, that the
5 Constitution of the State of Arkansas prohibits the appropriation of funds
6 for more than a one (1) year period; that the effectiveness of all Sections
7 of this act, except Sections 28-33 of this act, on July 1, 2026, is essential
8 to the operation of the agency for which the appropriations in this act are
9 provided; and that in the event of an extension of the legislative session,
10 the delay in the effective date of this act for all Sections, except Sections
11 28-33 of this act, beyond July 1, 2026, could work irreparable harm upon the
12 proper administration and provision of essential governmental programs.
13 Therefore, an emergency is hereby declared to exist, and all Sections, except
14 Sections 28-33 of this act, being necessary for the immediate preservation of
15 the public peace, health and safety shall be in full force and effect from
16 and after July 1, 2026.

17 (b) It is found and determined by the General Assembly of the State of
18 Arkansas that without further statutory clarity, isolated school districts
19 that have recently detached from existing districts will be without
20 administrative and financial guidance; that newly formed isolated school
21 districts need enough time to establish contracts and administrative
22 requirements in order to begin the upcoming school year; that the Department
23 of Education needs statutory clarity on how funds should be distributed based
24 on the formation of new school districts; and that this act is immediately
25 necessary to provide newly formed isolated school districts with the
26 statutory direction that is needed to proceed with standard operations
27 following recent detachments from existing districts and to give the
28 department guidance necessary to correctly disburse funds to newly formed
29 school districts. Therefore, an emergency is declared to exist, and Sections
30 28 through 33 of this act being immediately necessary for the preservation of
31 the public peace, health, and safety shall become effective on:

32 (1) The date of its approval by the Governor;

33 (2) If the bill is neither approved nor vetoed by the Governor,
34 the expiration of the period of time during which the Governor may veto the
35 bill; or

36 (3) If the bill is vetoed by the Governor and the veto is

1 overridden, the date the last house overrides the veto.

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/s/Joint Budget Committee