

State of Arkansas
91st General Assembly
Regular Session, 2017

As Engrossed: H3/15/17
A Bill

HOUSE BILL 1689

By: Representative Cozart

For An Act To Be Entitled

AN ACT TO AMEND PROVISIONS OF THE ARKANSAS CODE
CONCERNING PUBLIC SCHOOL FUNDING AND INDEBTEDNESS; TO
AMEND FUNDING PROVISIONS AND DEFINITIONS FOR PUBLIC
EMPLOYEE HEALTH INSURANCE; TO AMEND PROVISIONS
CONCERNING EDUCATION SERVICE COOPERATIVE FINANCING;
AND FOR OTHER PURPOSES.

Subtitle

TO AMEND PROVISIONS CONCERNING PUBLIC
SCHOOL FUNDING AND INDEBTEDNESS; TO AMEND
FUNDING PROVISIONS CONCERNING PUBLIC
EMPLOYEE HEALTH INSURANCE; AND TO AMEND
PROVISIONS CONCERNING EDUCATION SERVICE
COOPERATIVE FINANCING.

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

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

~~(9) Renting, leasing, purchasing, constructing, or receiving by
gift such~~ For facilities and buildings as may be required to provide
authorized programs and services:

(A) Renting, leasing, purchasing, constructing, or
receiving by gift;

(B) Borrowing from the revolving loan fund under § 6-20-
818; or



(C) Borrowing from other sources for limited or unusual circumstances upon approval of the Commissioner of Education and Director of the Department of Finance and Administration; and

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

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

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

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

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

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

(A) Payee and any assignee;

(B) School district;

(C) Purpose of the indebtedness;

(D) Maturity date of the indebtedness;

(E) Amount borrowed and interest rate of indebtedness; and

(F) Amortization schedule showing installments, if

applicable.

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

(ii) A final close must be performed in each school

district's or open-enrollment public charter school's or education service cooperative's applicable general ledger database no later than ~~September 30, 2007, for the 2006-2007 school year and September 15 for each school year thereafter~~ September 10 of each year.

SECTION 6. Arkansas Code § 6-20-2305(a)(1)(B), concerning school district foundation funding, is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

(C) If net revenues minus any recoupment under subdivision

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

~~(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.~~

/s/Cozart

APPROVED: 03/29/2017