

Stricken language would be deleted from and underlined language would be added to present law.  
Act 933 of the Regular Session

State of Arkansas  
91st General Assembly  
Regular Session, 2017

*As Engrossed: H3/27/17*  
**A Bill**

SENATE BILL 416

By: Senator A. Clark

### **For An Act To Be Entitled**

AN ACT TO AMEND PROVISIONS OF THE ARKANSAS CODE  
CONCERNING THE OPERATION AND FUNDING OF PUBLIC  
CHARTER SCHOOLS; AND FOR OTHER PURPOSES.

### **Subtitle**

TO AMEND PROVISIONS OF THE ARKANSAS CODE  
CONCERNING THE OPERATION AND FUNDING OF  
PUBLIC CHARTER SCHOOLS.

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

SECTION 1. Arkansas Code § 6-23-103(2), concerning the definition of "application" under the Arkansas Quality Charter School Act of 2013, is amended to read as follows:

(2) "Application" means the proposal for obtaining conversion public charter school status, or open-enrollment public charter school status, ~~or limited public charter school status;~~

SECTION 2. Arkansas Code § 6-23-103(8), concerning the definition of "limited public charter school", is repealed.

~~(8) "Limited public charter school" means a public school that has converted to operating under the terms of a limited public charter approved by the local school district board of directors and the authorizer;~~

SECTION 3. Arkansas Code § 6-23-103(13), concerning the definition of "public charter school" under the Arkansas Quality Charter Schools Act of 2013, is amended to read as follows:



(13) "Public charter school" means a conversion public charter school, or an open-enrollment public charter school, or a limited public charter school.

SECTION 4. Arkansas Code § 6-23-105, concerning public charter school probation or charter modification, revocation, or denial of renewal, is amended to add an additional subsection to read as follows:

(e)(1)(A) Immediately upon the revocation of a charter by the authorizer, the public charter school shall:

(i) Transfer to the department all state funds held by the public charter school, which the department shall hold in receivership; and

(ii) Provide to the department a detailed accounting of all accounts payable due from the state funds and any additional information or records requested by the department concerning the disbursement of the state funds.

(B) The department shall hold funds received under subdivision (e)(1)(A) of this section in a separate fund and shall expend the funds only with prior approval of the Commissioner of Education.

(C) If the State Board of Education reverses the revocation, the department shall return any funds remaining in receivership to the public charter school.

(2)(A) The department shall establish a procedure for a claimant to file a claim for disbursement from the state funds.

(B) The determination of the department concerning the disbursement of the state funds is final and may not be appealed.

(3) If funds remain in receivership for which no legitimate, documented claim has been made to the department within one (1) calendar year after the revocation, the remaining funds shall be transferred to the Public School Fund.

(4) The state board may promulgate rules to implement this subsection.

*SECTION 5. Arkansas Code § 6-23-302(c)(5)(A), concerning a description in the application for an open-enrollment public charter school of the facility to be used, is amended to read as follows:*

(5)(A) Describe in general terms the area within the boundaries of the school district where the applicant intends to obtain a facility to be used for the open-enrollment public charter school and state the facility's current use.

SECTION 6. Arkansas Code § 6-23-306(14)(B)(ii)(a), concerning charter school enrollment preference, is amended to read as follows:

(a)(1) Children of the founding members and children of full-time employees and teachers of the eligible entity.

(2) The number of enrollment preferences granted to children of founding members and children of full-time employees and teachers shall not exceed ten percent (10%) of the total number of students enrolled in the open-enrollment public charter school; and

SECTION 7. Arkansas Code § 6-23-310 is amended to read as follows:  
6-23-310. Status report.

The authorizer shall report ~~on the status of the open-enrollment public charter school programs~~ to the General Assembly each biennium and to the House Committee on Education and the Senate Committee on Education during the interim between regular sessions of the General Assembly:

(1) The status of the open-enrollment public charter school programs; and

(2) A summary of the authorizing activities in the preceding year, including without limitation the number and type of charters approved, denied, and amended.

SECTION 8. Arkansas Code § 6-23-501(a)(1)-(4), concerning charter school funding, is amended to read as follows:

(a)(1) An open-enrollment public charter school shall receive funds equal to the amount that a public school would receive under § 6-20-2305(a) and (b) as well as any other funding that a public charter school is entitled to receive under law or under rules promulgated by the State Board of Education.

(2)(A) For the first year of operation, and the first year operating under a new license, the first year adding a new campus, and for the first year the open-enrollment public charter school adds in any year a

~~new~~ grade is added at any campus, the foundation funding and enhanced educational funding for an open-enrollment public charter school is determined as follows:

(i) The initial funding estimate shall be based on enrollment as of July 1 of the current school year;

(ii) In December, funding will be adjusted based upon the first quarter average daily membership; and

(iii) A final adjustment will be made after the current three-quarter average daily membership is established.

(B) For the second year and each school year thereafter, the previous year's average daily membership will be used to calculate foundation funding and any enhanced educational funding amounts.

(3) National school lunch state categorical funding under § 6-20-2305(b)(4) shall be provided to an open-enrollment public charter school as follows:

(A) For the first year of operation, the first year operating under a new license, the first year adding a new campus, and in any year when a grade is added at any campus, free or reduced-price meal eligibility data as reported by October 1 of the current school year will be used to calculate the national school lunch state categorical funding under the state board rules governing special needs funding; and

(B) For the second year and each school year of operation thereafter, the previous year's October 1 national school lunch student count as specified in state board rules governing special needs funding will be used to calculate national school lunch state categorical funding for the open-enrollment public charter school.

(4) Professional development funding under § 6-20-2305(b)(5) shall be provided to an open-enrollment public charter school for the first year of operation, the first year operating under a new license, the first year adding a new campus, and in any year in which a grade is added at any campus as follows:

(A)(i) In the first year of operation the open-enrollment public charter school shall receive professional development funding based upon the initial projected enrollment student count as of July 1 of the current school year multiplied by the per-student professional development funding amount under § 6-20-2305(b)(5) for that school year.

(ii) For the second year and each school year thereafter, professional development funding will be based upon the previous year's average daily membership multiplied by the per-student professional development funding amount for that school year.

SECTION 9. Arkansas Code § 6-23-908(b)(2), concerning charter school funding, is amended to read as follows:

(2) For an open-enrollment public charter school in its first year of operation, the first year operating under a new license, the first year adding a new campus, or ~~for an open-enrollment public charter school that adds~~ in any year a new grade is added at any campus, the funding from the program shall be determined using the method under § 6-23-501(a)(2)(A).

*/s/A. Clark*

**APPROVED: 04/05/2017**