

Stricken language would be deleted from and underlined language would be added to present law.
Act 461 of the Regular Session

State of Arkansas
94th General Assembly
Regular Session, 2023

As Engrossed: S3/2/23

A Bill

SENATE BILL 262

By: Senators J. Payton, B. King, J. Dismang, Flipppo, Irvin, B. Johnson, J. Petty, Stone

By: Representatives Miller, C. Cooper, G. Hodges, Pearce

For An Act To Be Entitled

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

Subtitle

TO AMEND THE PUBLIC EDUCATION REORGANIZATION ACT; AND TO REMOVE THE AUTHORITY OF THE STATE BOARD OF EDUCATION TO REQUIRE AN ADMINISTRATIVE CONSOLIDATION FOR CERTAIN SCHOOL DISTRICTS.

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

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 Arkansas Code § 6-13-1602 is repealed.

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

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

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

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



~~immediately preceding the current school year.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

follows:

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

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

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

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

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

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

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

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

/s/J. Payton

APPROVED: 4/4/23