

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

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

As Engrossed: H3/29/23 H4/3/23

A Bill

HOUSE BILL 1689

5 By: Representative Cozart
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE PUBLIC SCHOOL FUNDING ACT OF
9 2003; TO CREATE THE COMPREHENSIVE INVESTMENT IN
10 STUDENT ACHIEVEMENT ACT; AND FOR OTHER PURPOSES.

Subtitle

14 TO AMEND THE PUBLIC SCHOOL FUNDING ACT OF
15 2003; AND TO CREATE THE COMPREHENSIVE
16 INVESTMENT IN STUDENT ACHIEVEMENT ACT.

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

21 SECTION 1. Arkansas Code § 6-20-2301 is repealed.

22 ~~6-20-2301. Title.~~

23 ~~This subchapter shall be known and may be cited as the "Public School~~
24 ~~Funding Act of 2003".~~

26 SECTION 2. Arkansas Code § 6-20-2302 is repealed.

27 ~~6-20-2302. Legislative findings.~~

28 ~~(a) The General Assembly recognizes that:~~

29 ~~(1) Intelligence and virtue are the safeguards of liberty and~~
30 ~~the bulwark of a free and good government; and~~

31 ~~(2) Arkansas Constitution, Article 14, § 1, requires the State~~
32 ~~of Arkansas to ever maintain a general, suitable, and efficient system of~~
33 ~~free public schools and to adopt all suitable means to secure to the people~~
34 ~~the advantages and opportunities of education.~~

35 ~~(b) The General Assembly finds that because of the decision of the~~
36 ~~Supreme Court in Lake View School District No. 25 v. Huckabee, 351 Ark. 31~~



1 ~~(2002), it is the absolute duty of the State of Arkansas to provide all~~
2 ~~public school children with an opportunity for an adequate education.~~

3 ~~(c) The General Assembly finds that a suitable and efficient system of~~
4 ~~public education should:~~

5 ~~(1) Assure the availability of substantially equal and~~
6 ~~constitutionally appropriate expenditures by the state for the education of~~
7 ~~each similarly situated child in the public schools, regardless of where that~~
8 ~~child resides within the state;~~

9 ~~(2) Assure that each school age child resides in a school~~
10 ~~district that offers a competitive minimum salary for classroom teachers;~~

11 ~~(3) Assure that:~~

12 ~~(A) All students graduating from high school are able to~~
13 ~~demonstrate a defined adequate level of competence in:~~

14 ~~(i) English, oral communications, reading, and~~
15 ~~writing;~~

16 ~~(ii) Mathematics skills; and~~

17 ~~(iii) Science and social studies disciplines; and~~

18 ~~(B) An adequate level of competence evolves over time to~~
19 ~~higher levels;~~

20 ~~(4) Assure that students with disabilities have the opportunity~~
21 ~~to graduate from high school by demonstrating alternative competencies or~~
22 ~~alternative levels of competency;~~

23 ~~(5) Assure that students who are not on track for high school~~
24 ~~graduation are identified at a sufficiently early date so that they may be~~
25 ~~provided an opportunity at a reasonable cost to achieve the minimum levels of~~
26 ~~competence necessary to graduate from high school;~~

27 ~~(6) Recognize that graduating from high school requires that the~~
28 ~~students, as well as the parents or guardian of the students, work hard and~~
29 ~~assume appropriate responsibility for the students' success or failure;~~

30 ~~(7) Encourage parental involvement in the public schools and in~~
31 ~~public school activities; and~~

32 ~~(8) Recognize that early attention to and correction of student~~
33 ~~deficiencies are substantially less expensive and more effective than~~
34 ~~remedial efforts in the later school grades.~~

35 ~~(d) The General Assembly recognizes that the supervision of public~~
36 ~~schools and the execution of the laws regulating the schools shall be vested~~

1 ~~in such officers as the General Assembly provides.~~

2 ~~(e) It is the intent of this subchapter to provide a system of school~~
3 ~~funding that provides to each public school child in the State of Arkansas an~~
4 ~~opportunity for an adequate education.~~

5
6 SECTION 3. Arkansas Code § 6-20-2303 is repealed.

7 ~~6-20-2303. Definitions.~~

8 ~~As used in this subchapter:~~

9 ~~(1) "Additional education categories" means state funds~~
10 ~~distributed to school districts for alternative learning environments,~~
11 ~~English language learners, national school lunch students, and professional~~
12 ~~development;~~

13 ~~(2) "Alternative learning environment" means a student~~
14 ~~intervention program in compliance with § 6-48-101 et seq. that seeks to~~
15 ~~eliminate traditional barriers to learning for students;~~

16 ~~(3)(A) "Average daily membership" means the total number of days~~
17 ~~of school attended plus the total number of days absent by students in~~
18 ~~kindergarten through grade twelve (K-12) during the first three (3) quarters~~
19 ~~of each school year divided by the number of school days actually taught in~~
20 ~~the school district during that period of time rounded up to the nearest~~
21 ~~hundredth.~~

22 ~~(B) In those instances in which the average daily~~
23 ~~membership for fewer than three (3) quarters is specified, the number of days~~
24 ~~used in the calculation shall be the days in the specified period of time.~~

25 ~~(C) As applied to this subchapter, students who may be~~
26 ~~counted for average daily membership are:~~

27 ~~(i) Students who:~~

28 ~~(a) Reside within the boundaries of the school~~
29 ~~district;~~

30 ~~(b) Are enrolled in a public school operated~~
31 ~~by the school district; and~~

32 ~~(c) Are enrolled in a curriculum that fulfills~~
33 ~~the requirements established by the State Board of Education under the~~
34 ~~Standards for Accreditation of Arkansas Public Schools and School Districts;~~

35 ~~(ii)(a) Students who reside within the~~
36 ~~boundaries of the school district but due to geographic barriers attend~~

1 ~~school out of state under a tuition agreement.~~

2 ~~(b) This subdivision (3)(C)(ii) shall apply~~
3 ~~even if the students enrolled in an out of state school are not enrolled in a~~
4 ~~curriculum that fulfills the requirements established by the state board~~
5 ~~under the Standards for Accreditation of Arkansas Public Schools and School~~
6 ~~Districts;~~

7 ~~(iii) Legally transferred students living outside~~
8 ~~the school district but are:~~

9 ~~(a) Attending a public school in the school~~
10 ~~district under a provision of this Code; and~~

11 ~~(b) Are enrolled in a curriculum that fulfills~~
12 ~~the requirements established by the state board under the Standards for~~
13 ~~Accreditation of Arkansas Public Schools and School Districts;~~

14 ~~(iv) Open enrollment public charter school students~~
15 ~~who are enrolled in a curriculum that fulfills the requirements established~~
16 ~~by the state board under the Standards for Accreditation of Arkansas Public~~
17 ~~Schools and School Districts;~~

18 ~~(v) Students who are eligible to attend and who~~
19 ~~reside within the boundaries of a school district and are enrolled in the~~
20 ~~Arkansas National Guard Youth Challenge Program, so long as the students are~~
21 ~~participants in the program;~~

22 ~~(vi) Students who are enrolled in a public school~~
23 ~~operated by the school district and who have been placed by the Department of~~
24 ~~Human Services in a licensed or approved foster home, shelter, or facility,~~
25 ~~or an exempt child welfare agency as defined under § 9-28-402, if:~~

26 ~~(a) The student was enrolled in the school~~
27 ~~district before placement;~~

28 ~~(b) The foster home or other placement is~~
29 ~~located within the boundaries of the school district;~~

30 ~~(c) The juvenile division of the circuit court~~
31 ~~with jurisdiction over a dependency neglect action concerning the child has~~
32 ~~issued an order allowing the child to attend school in the school district;~~
33 ~~or~~

34 ~~(d) Enrollment in the school district is~~
35 ~~necessary to ensure continuity of educational services under § 9-28-113; or~~

36 ~~(vii) Transitioning inbound children of military~~

1 ~~families who have provisionally enrolled in a public school district under~~
2 ~~the Arkansas Military Child School Transitions Act of 2021, § 6-28-101 et~~
3 ~~seq.~~

4 ~~(D)(i) Except for those circumstances otherwise allowed by~~
5 ~~law or rule, any student who is absent from daily attendance for more than~~
6 ~~ten (10) consecutive school days shall be dropped from the attendance records~~
7 ~~of the school, school district, or open enrollment public charter school.~~

8 ~~(ii) Any student who fails to attend school by the~~
9 ~~tenth regular school day of the semester shall be retroactively dropped from~~
10 ~~the first day of the school semester.~~

11 ~~(E)(i) Except as otherwise provided by law, a public~~
12 ~~school district or open enrollment public charter school that teaches a~~
13 ~~distance learning course to one (1) or more home-schooled, transitioning~~
14 ~~inbound child of a military family, or private school student shall be~~
15 ~~eligible for an amount equal to one-sixth (1/6) of the state foundation funding~~
16 ~~amount per distance learning course for each private school student,~~
17 ~~transitioning inbound child of a military family, or home-schooled student~~
18 ~~who is:~~

19 ~~(a) Residing within the school district where~~
20 ~~the public school or open enrollment public charter school is located;~~

21 ~~(b) Physically attending the distance learning~~
22 ~~course or courses on the campus of the public school district or open-~~
23 ~~enrollment public charter school; and~~

24 ~~(c) Provisionally enrolled in the public~~
25 ~~school district under the Arkansas Military Child School Transitions Act of~~
26 ~~2021, § 6-28-101 et seq., as an inbound child of a military family.~~

27 ~~(ii) However, under no circumstances shall a public~~
28 ~~school district or open enrollment public charter school be entitled to more~~
29 ~~than the equivalent of state foundation funding for one (1) average daily~~
30 ~~membership regardless of the number of distance learning courses received by~~
31 ~~a particular home-schooled or private school student;~~

32 ~~(4) "Child of a military family" means the dependent child of a~~
33 ~~uniformed services member for whom the local education agency receives public~~
34 ~~funding and who is enrolled or is pre-enrolled in a public school district~~
35 ~~under the Arkansas Military Child School Transitions Act of 2021, § 6-28-101~~
36 ~~et seq.;~~

1 ~~(5) “Classroom teacher” means:~~

2 ~~(A) An individual who is required to hold a teaching~~
3 ~~license from the Division of Elementary and Secondary Education and who is~~
4 ~~engaged directly in instruction with students in a classroom setting for more~~
5 ~~than seventy percent (70%) of the individual’s contracted time;~~

6 ~~(B) A guidance counselor; or~~

7 ~~(C) A librarian;~~

8 ~~(6) “Declining enrollment funding” means the amount of state~~
9 ~~financial aid provided to an eligible school district from funds made~~
10 ~~available for the decline in the average daily membership of the school~~
11 ~~district in the preceding school year compared to the school year before the~~
12 ~~preceding school year;~~

13 ~~(7) “English language learners” means students identified by the~~
14 ~~state board as not proficient in the English language based upon approved~~
15 ~~English proficiency assessment instruments administered annually in the fall~~
16 ~~of the current school year, which assessments measure oral, reading, and~~
17 ~~writing proficiency;~~

18 ~~(8) “Foundation funding” means an amount of money specified by~~
19 ~~the General Assembly for each school year to be expended by school districts~~
20 ~~for the provision of an adequate education for each student;~~

21 ~~(9) “Gifted and talented programs” means academic curricula,~~
22 ~~courses, and options designed to improve educational opportunities for gifted~~
23 ~~and talented students pursuant to guidelines adopted by the state board in~~
24 ~~accordance with § 6-42-106;~~

25 ~~(10) “Gifted and talented students” means those students who~~
26 ~~have been identified as meeting the criteria of the gifted program approval~~
27 ~~standards established by the state board;~~

28 ~~(11) “Legal revenues” means those revenues received or cash~~
29 ~~balances carried forward by a school district and used to make payments from:~~

30 ~~(A)(i) The teachers’ salary fund, which means the set of~~
31 ~~accounts used to record the receipts and expenditures for payment of salaries~~
32 ~~for licensed personnel, licensed substitutes, tuition, and fringe benefits as~~
33 ~~defined by § 6-17-908.~~

34 ~~(ii) Licensed personnel salaries from federal~~
35 ~~programs are excluded;~~

36 ~~(B) The operating fund, which means the set of accounts~~

1 ~~used to record the receipts and expenditures for current operating expenses~~
2 ~~other than those that relate to the purposes set out for other funds; and~~

3 ~~(C) The debt service fund, which means the set of accounts~~
4 ~~used to record local tax receipts and expenditures for the retirement of~~
5 ~~commercially bonded debt;~~

6 ~~(12) "Millage rate" means the millage rate listed in the most~~
7 ~~recent tax ordinance approved by the county quorum court under the authority~~
8 ~~of § 14-14-904 for the tax year used in a calculation made under this~~
9 ~~subchapter;~~

10 ~~(13) "Miscellaneous funds" means funds received by a school~~
11 ~~district;~~

12 ~~(A) From federal forest reserves, federal grazing rights,~~
13 ~~federal mineral rights, federal impact aid, federal flood control, wildlife~~
14 ~~refuge funds, and severance taxes; and~~

15 ~~(B) In lieu of taxes, and local sales and use taxes~~
16 ~~dedicated to education under § 26-74-201 et seq., § 26-74-301 et seq., § 26-~~
17 ~~75-301 et seq., and the Local Government Bond Act of 1985, § 14-164-301 et~~
18 ~~seq.;~~

19 ~~(14)(A) "National school lunch students" means those~~
20 ~~students or the percentage of enrolled students from low socioeconomic~~
21 ~~backgrounds as indicated by eligibility for free or reduced-price meals under~~
22 ~~the National School Lunch Act, 42 U.S.C. § 1751 et seq., as determined on~~
23 ~~October 1 of each previous school year and submitted to the Division of~~
24 ~~Elementary and Secondary Education, unless the school district is identified~~
25 ~~by the Division of Elementary and Secondary Education as participating in the~~
26 ~~special assistance certification and reimbursement alternative implemented~~
27 ~~under 42 U.S.C. § 1759a.~~

28 ~~(B) If the school district is participating under 42~~
29 ~~U.S.C. § 1759a, then for purposes of funding under § 6-20-2305(b), such a~~
30 ~~school district's annual percentage of national school lunch students shall~~
31 ~~be equal to the percentage submitted in the base year, which means the last~~
32 ~~school year for which eligibility determinations were made and in accordance~~
33 ~~with rules adopted by the state board.~~

34 ~~(C) The state board may promulgate rules as necessary to~~
35 ~~meet the federal requirements under 42 U.S.C. § 1759a in order to enable the~~
36 ~~school districts and open enrollment public charter schools to fully~~

1 ~~participate in federal and state programs;~~

2 ~~(15) “Net revenues” means actual revenues generated from ad~~
3 ~~valorem taxes and distributed to a school district multiplied by the ratio~~
4 ~~derived from dividing the uniform rate of tax by the total millage rate of~~
5 ~~the school district;~~

6 ~~(16) “Previous year” or “previous school year” means the school~~
7 ~~year immediately preceding the school year or fiscal year in which funds are~~
8 ~~allocated;~~

9 ~~(17)(A) “Professional development” has the same meaning as~~
10 ~~the meaning given to the term under § 6-17-704.~~

11 ~~(B) Professional development shall result in individual,~~
12 ~~schoolwide, and systemwide improvement designed to ensure that all students~~
13 ~~demonstrate proficiency in the state academic standards;~~

14 ~~(18) “Quarterly average daily membership” means the average~~
15 ~~daily membership for one (1) quarter of a school year used for calculating~~
16 ~~student growth funding and as determined by rule established by the Division~~
17 ~~of Elementary and Secondary Education;~~

18 ~~(19) “Revenues” means the proceeds generated from ad valorem~~
19 ~~taxes and distributed to a school district by a county treasurer from January~~
20 ~~1 through December 31 of the calendar year in which the school fiscal year~~
21 ~~began, including;~~

22 ~~(A) The amount of the final distribution of ad valorem~~
23 ~~taxes to a school district as shown on the final tax settlement of the county~~
24 ~~under § 26-39-402 for the calendar year in which the school fiscal year~~
25 ~~began;~~

26 ~~(B)(i) Delinquent ad valorem taxes distributed to a school~~
27 ~~district in the calendar year in which the school fiscal year began.~~

28 ~~(ii) Delinquent ad valorem taxes include the~~
29 ~~penalties and interest that are distributable to a school district under~~
30 ~~existing law;~~

31 ~~(C) The actual amount of homestead tax credit distributed~~
32 ~~to a school district in the calendar year in which the school fiscal year~~
33 ~~began;~~

34 ~~(D) Excess commissions distributed to a school district in~~
35 ~~the calendar year in which the school fiscal year began;~~

36 ~~(E) Interest earned on any tax funds held in trust and~~

1 ~~distributed to a school district in the calendar year in which the school~~
2 ~~fiscal year began;~~

3 ~~(F)—Ad valorem tax proceeds from land redemptions~~
4 ~~distributed to a school district in the calendar year in which the school~~
5 ~~fiscal year began; and~~

6 ~~(G)—A subtraction of all costs and commissions authorized~~
7 ~~by law relating to the collection of ad valorem taxes that the county~~
8 ~~deducted from distributions to a school district in the calendar year in~~
9 ~~which the school fiscal year began;~~

10 ~~(20)—“School district” means a geographic area with an elected~~
11 ~~board of directors that qualifies as a taxing unit for purposes of ad valorem~~
12 ~~property taxes under Title 26 of the Arkansas Code, which board of directors~~
13 ~~conducts the daily affairs of public schools pursuant to the supervisory~~
14 ~~authority vested in it by the General Assembly and this title;~~

15 ~~(21)—“Secondary vocational area center” means a public secondary~~
16 ~~vocational institution organized for the specific purpose of educating high~~
17 ~~school students in specific occupational or vocational areas and serving~~
18 ~~students from more than one (1) participating school district;~~

19 ~~(22)—“Special education high-cost occurrences” means individual~~
20 ~~eases in which special education and related services required by the~~
21 ~~individualized education program of a particular student with disabilities~~
22 ~~are unduly expensive, extraordinary, or beyond the routine and normal costs~~
23 ~~associated with special education and related services provided by a school~~
24 ~~district and funding is pursuant to rules promulgated by the state board;~~

25 ~~(23)—“State foundation funding aid” means the amount of state~~
26 ~~financial aid provided to a school district under § 6-20-2305(a)(1);~~

27 ~~(24)—“Student growth funding” means the amount of state~~
28 ~~financial aid provided to each school district from funds made available for~~
29 ~~the growth in the average daily membership for the school district;~~

30 ~~(25)—“Teachers of the gifted and talented” means individuals~~
31 ~~certified by the state board to teach gifted and talented students;~~

32 ~~(26)—“Technology” means any equipment for instructional purposes~~
33 ~~that is electronic in nature, including, but not limited to, computer~~
34 ~~hardware, computer software, internet connectivity, and distance learning;~~
35 ~~and~~

36 ~~(27)—“Uniform rate of tax” means a uniform rate of ad valorem~~

1 ~~property tax of twenty five (25) mills to be levied on the assessed value of~~
2 ~~all taxable real, personal, utility, and regulated carrier property in the~~
3 ~~state to be used solely for the maintenance and operation of the public~~
4 ~~schools as required by Arkansas Constitution, Article 14, § 3, as amended by~~
5 ~~Arkansas Constitution, Amendments 11, 40, and 74.~~

6
7 SECTION 4. Arkansas Code § 6-20-2304 is repealed.

8 ~~6-20-2304. Rules—Access to information on legislation.~~

9 ~~(a) The State Board of Education shall have the authority, acting~~
10 ~~pursuant to its rulemaking powers, to adopt rules for the implementation of~~
11 ~~the provisions of this subchapter.~~

12 ~~(b) The state board shall provide access to legislation of the General~~
13 ~~Assembly concerning public school funding by the following methods:~~

14 ~~(1) Including a link to the information on the Division of~~
15 ~~Elementary and Secondary Education website; and~~

16 ~~(2) Requiring the superintendent of each public school district~~
17 ~~in the state to provide each member of the public school district's board of~~
18 ~~directors with:~~

19 ~~(A) Information containing the website address where the~~
20 ~~member can access the specific legislation; or~~

21 ~~(B) Upon request, a printed copy of the legislation.~~

22
23 SECTION 5. Arkansas Code § 6-20-2305 is repealed.

24 ~~6-20-2305. School funding.~~

25 ~~(a)(1)(A) For each school year, each school district shall receive~~
26 ~~state foundation funding aid computed as the foundation funding amount under~~
27 ~~subdivision (a)(2) of this section less the sum of:~~

28 ~~(i) Ninety eight percent (98%) of the uniform rate~~
29 ~~of tax multiplied by the property assessment of the school district; and~~

30 ~~(ii) An amount of miscellaneous funds of the school~~
31 ~~district calculated under § 6-20-2308.~~

32 ~~(B) The Division of Elementary and Secondary Education~~
33 ~~shall distribute state foundation funding aid to each school district in~~
34 ~~twelve (12) monthly payments.~~

35 ~~(2)(A) For the 2021-2022 school year, the foundation funding~~
36 ~~amount is equal to seven thousand one hundred eighty two dollars (\$7,182)~~

1 multiplied by the school district's average daily membership for the previous
2 school year.

3 ~~(B) For the 2022-2023 school year and each school year~~
4 ~~thereafter, the foundation funding amount is equal to seven thousand four~~
5 ~~hundred thirteen dollars (\$7,413) multiplied by the school district's average~~
6 ~~daily membership for the previous school year.~~

7 ~~(3)(A) A school district that has experienced a decline in~~
8 ~~average daily membership over the two (2) immediately preceding school years~~
9 ~~shall receive:~~

10 ~~(i) Declining enrollment funding equal to the~~
11 ~~difference between the average of the two (2) immediately preceding years'~~
12 ~~average daily memberships and the average daily membership for the previous~~
13 ~~school year multiplied by the amount of foundation funding set forth in~~
14 ~~subdivision (a)(2) of this section; and~~

15 ~~(ii) Special needs isolated funding under § 6-20-~~
16 ~~604.~~

17 ~~(B) Any funding appropriated and available for declining~~
18 ~~enrollment funding under subdivision (a)(3)(A)(i) of this section or special~~
19 ~~needs isolated funding under § 6-20-604 that is not distributed under~~
20 ~~subdivision (a)(3)(A) of this section shall be prorated and distributed~~
21 ~~equally per average lost student to school districts that meet the~~
22 ~~qualifications for both declining enrollment funding under subdivision~~
23 ~~(a)(3)(A)(i) of this section and special needs isolated funding under § 6-20-~~
24 ~~604.~~

25 ~~(C) No school district shall receive both declining~~
26 ~~enrollment funding under subdivision (a)(3)(A)(i) of this section and student~~
27 ~~growth funding under subsection (c) of this section.~~

28 ~~(4)(A)(i) Except as provided in subdivisions (a)(4)(C) and (D)~~
29 ~~of this section, by the end of each school fiscal year, for a school district~~
30 ~~whose net revenues are less than the sum of ninety-eight percent (98%) of the~~
31 ~~uniform rate of tax multiplied by the property assessment of the school~~
32 ~~district, the Division of Elementary and Secondary Education shall distribute~~
33 ~~to the school district the difference between:~~

34 ~~(a) The net revenues distributed to the school~~
35 ~~district as reported under § 26-80-101(b)(4)(A)(ii) for the calendar year~~
36 ~~immediately preceding the current school year; and~~

1 ~~(b) The sum of ninety eight percent (98%) of~~
2 ~~the uniform rate of tax multiplied by the property assessment of the school~~
3 ~~district.~~

4 ~~(ii) The Division of Elementary and Secondary~~
5 ~~Education may distribute to the school district a lesser amount than required~~
6 ~~under subdivisions (a)(4)(A)(i)(a) and (b) of this section if after the~~
7 ~~lesser amount is distributed the school district will receive the foundation~~
8 ~~funding amount under this subsection.~~

9 ~~(B) For a school district whose net revenues are more than~~
10 ~~the sum of ninety eight percent (98%) of the uniform rate of tax multiplied~~
11 ~~by the property assessment of the school district, the Division of Elementary~~
12 ~~and Secondary Education, under the authority of § 6-20-2306, shall recoup~~
13 ~~from the school district an amount equal to the difference between:~~

14 ~~(i) The net revenues of the school district; and~~
15 ~~(ii) The sum of ninety eight percent (98%) of the~~
16 ~~uniform rate of tax multiplied by the property assessment of the school~~
17 ~~district.~~

18 ~~(C) The Division of Elementary and Secondary Education~~
19 ~~shall not distribute to a school district the funds under subdivision~~
20 ~~(a)(4)(A)(i) of this section if, regardless of the school district's tax~~
21 ~~collection rate, the school district's net revenues plus miscellaneous funds~~
22 ~~calculated under § 6-20-2308 meet or exceed the foundation funding amount set~~
23 ~~forth in this subsection.~~

24 ~~(D)(i) A county treasurer shall submit annually to the~~
25 ~~Division of Elementary and Secondary Education an annual summary report of~~
26 ~~all proceeds generated from ad valorem taxes and distributed by the county to~~
27 ~~a school district for the period beginning January 1 and ending on December~~
28 ~~31 of the preceding calendar year to verify the receipt of revenues under §~~
29 ~~26-80-101(b)(4)(A)(ii).~~

30 ~~(ii)(a) The Division of Elementary and~~
31 ~~Secondary Education may adjust data appropriately if it determines that~~
32 ~~irregular distributions by a county treasurer of excess commissions cause a~~
33 ~~school district's property tax collection rate from the uniform rate of tax~~
34 ~~to exceed ninety eight percent (98%).~~

35 ~~(b) The Division of Elementary and Secondary~~
36 ~~Education may adjust the uniform rate of tax from an irregular distribution~~

1 ~~to an amount not in excess of ninety eight percent (98%) and apply the excess~~
2 ~~distribution amount the following school year.~~

3 ~~(iii) Evidence of overlapping revenue reporting or~~
4 ~~irregular distributions shall be provided in the form required by the~~
5 ~~Division of Elementary and Secondary Education.~~

6 ~~(b)(1) In addition to state foundation funding aid, each school~~
7 ~~district shall receive funding for additional education categories as~~
8 ~~provided in subdivisions (b)(2) (6) of this section.~~

9 ~~(2)(A)(i) For the 2021-2022 school year, alternative learning~~
10 ~~environment funding shall be four thousand seven hundred ninety four dollars~~
11 ~~(\$4,794) multiplied by the number of identified alternative learning~~
12 ~~environment students enrolled during the previous school year.~~

13 ~~(ii) For the 2022-2023 school year, alternative~~
14 ~~learning environment funding shall be four thousand eight hundred ninety~~
15 ~~dollars (\$4,890) multiplied by the number of identified alternative learning~~
16 ~~environment students enrolled during the previous school year.~~

17 ~~(iii) Funding for students in alternative learning~~
18 ~~environments shall be distributed based on rules promulgated by the State~~
19 ~~Board of Education.~~

20 ~~(B)(i)(a) Beginning with the 2020-2021 school year,~~
21 ~~secondary vocational area center funding shall be established by a tiered~~
22 ~~funding structure for distributing vocational center aid for each full-time~~
23 ~~equivalent student, as defined by the Division of Career and Technical~~
24 ~~Education.~~

25 ~~(b) The vocational center aid under~~
26 ~~subdivision (b)(2)(B)(i)(a) of this section shall be determined by the~~
27 ~~Division of Career and Technical Education, in consultation with the Office~~
28 ~~of Skills Development, and approved by the State Board of Education.~~

29 ~~(ii) The Division of Career and Technical Education~~
30 ~~shall promulgate rules for:~~

31 ~~(a) A tiered system of determining the amount~~
32 ~~of vocational center aid under subdivision (b)(2)(B)(i) of this section for~~
33 ~~each secondary vocational area center; and~~

34 ~~(b) The method of distribution of the~~
35 ~~vocational center aid under subdivision (b)(2)(B)(i) of this section.~~

36 ~~(3)(A) For the 2021-2022 school year, funding for students who~~

1 ~~are identified as English language learners shall be three hundred fifty-nine~~
2 ~~dollars (\$359) for each identified English language learner.~~

3 ~~(B) Funding for English language learners shall be~~
4 ~~distributed to public school districts for students who have been identified~~
5 ~~as not proficient in the English language based upon a state-approved English~~
6 ~~proficiency assessment instrument.~~

7 ~~(C) Funds allocated for English language learners to~~
8 ~~public school districts under this subchapter shall be expended only for~~
9 ~~eligible activities as identified in current rules promulgated by the State~~
10 ~~Board of Education and are a supplement to funding for national school lunch~~
11 ~~students provided in subdivision (b)(4) of this section.~~

12 ~~(D) For the 2022-2023 school year and each school year~~
13 ~~thereafter, funding for students who are identified as English language~~
14 ~~learners shall be three hundred sixty-six dollars (\$366) for each identified~~
15 ~~English language learner.~~

16 ~~(4)(A) Enhanced Student Achievement Funding for each identified~~
17 ~~national school lunch student shall be as follows:~~

18 ~~(i) For a public school district in which ninety~~
19 ~~percent (90%) or more of the previous school year's enrolled students are~~
20 ~~national school lunch students, the amount of per-student Enhanced Student~~
21 ~~Achievement Funding for the 2021-2022 school year is one thousand five~~
22 ~~hundred ninety-four dollars (\$1,594) and for the 2022-2023 school year is one~~
23 ~~thousand six hundred thirteen dollars (\$1,613);~~

24 ~~(ii) For a public school district in which at least~~
25 ~~seventy percent (70%) but less than ninety percent (90%) of the previous~~
26 ~~school year's enrolled students are national school lunch students, the~~
27 ~~amount of per-student Enhanced Student Achievement Funding for the 2021-2022~~
28 ~~school year is one thousand sixty-three dollars (\$1,063) and for the 2022-~~
29 ~~2023 school year is one thousand seventy-six dollars (\$1,076); and~~

30 ~~(iii) For a public school district in which less~~
31 ~~than seventy percent (70%) of the previous school year's enrolled students~~
32 ~~are national school lunch students, the amount of per-student Enhanced~~
33 ~~Student Achievement Funding for the 2021-2022 school year is five hundred~~
34 ~~thirty-two dollars (\$532) and for the 2022-2023 school year is five hundred~~
35 ~~thirty-eight dollars (\$538).~~

36 ~~(B)(i)(a) Except as provided under subdivision~~

1 ~~(b)(4)(B)(i)(c) of this section, Enhanced Student Achievement Funding under~~
2 ~~this subdivision (b)(4) shall be based on the number of national school lunch~~
3 ~~students for the immediately preceding school year determined under § 6-20-~~
4 ~~2303(14)(A).~~

5 ~~(b) If the public school district is~~
6 ~~participating under 42 U.S.C. § 1759a, funding under this subdivision (b)(4)~~
7 ~~is based on the percentage determined in § 6-20-2303(14)(B) multiplied by the~~
8 ~~number of enrolled students for the immediately preceding school year.~~

9 ~~(c) The per student Enhanced Student~~
10 ~~Achievement Funding for an open enrollment public charter school shall be~~
11 ~~based upon the current school year enrollment.~~

12 ~~(1) In the initial year of operation for~~
13 ~~an open enrollment public charter school; or~~

14 ~~(2) In a year in which an open-~~
15 ~~enrollment public charter school adds a grade.~~

16 ~~(ii)(a) If a public school district will~~
17 ~~receive in the current school year Enhanced Student Achievement Funding under~~
18 ~~subdivision (b)(4)(A) of this section that is based on a different per-~~
19 ~~student amount of Enhanced Student Achievement Funding than the public school~~
20 ~~district received in the immediately preceding school year, due to a~~
21 ~~percentage change in national school lunch students, the Division of~~
22 ~~Elementary and Secondary Education shall adjust the funding to the public~~
23 ~~school district in a transitional three-year period.~~

24 ~~(b) The amount of Enhanced Student Achievement~~
25 ~~Funding under this subdivision (b)(4)(B)(ii) shall be increased or decreased~~
26 ~~in each year of a three-year transition period by one third (1/3) of the~~
27 ~~difference between the amount of Enhanced Student Achievement Funding per~~
28 ~~student for the current year and the amount of Enhanced Student Achievement~~
29 ~~Funding per student for the immediately preceding year, adjusted for changes~~
30 ~~to the funding rates in subdivision (b)(4)(A) of this section.~~

31 ~~(iii)(a) The Division of Elementary and~~
32 ~~Secondary Education shall establish rules to implement the transitional~~
33 ~~Enhanced Student Achievement Funding provided in subdivision (b)(4)(B)(ii) of~~
34 ~~this section.~~

35 ~~(b) The rules shall include the methods of~~
36 ~~transition for a school district that.~~

1 ~~(1) Experiences a decrease in the amount~~
2 ~~of Enhanced Student Achievement Funding per student under subdivision~~
3 ~~(b)(4)(A) of this section;~~

4 ~~(2) Experiences an increase in the~~
5 ~~amount of Enhanced Student Achievement Funding per student under subdivision~~
6 ~~(b)(4)(A) of this section; or~~

7 ~~(3) Within a three-year transition~~
8 ~~period, experiences both a decrease and an increase in the amount of Enhanced~~
9 ~~Student Achievement Funding per student under subdivision (b)(4)(A) of this~~
10 ~~section.~~

11 ~~(iv) Under no circumstances shall a public school~~
12 ~~district be entitled to receive more or less Enhanced Student Achievement~~
13 ~~Funding as a result of the transitional process than the public school~~
14 ~~district is otherwise entitled to receive under this subdivision (b)(4) based~~
15 ~~on the school district's national school lunch student population as a~~
16 ~~percentage of the public school district's entire student population.~~

17 ~~(v)(a) A public school district that has experienced~~
18 ~~a significant growth in enrolled students in the previous three (3) years~~
19 ~~shall receive funding for the expected increase in the number of national~~
20 ~~school lunch students based on the expected increase in enrolled students~~
21 ~~based on the levels of funding provided in this section for national school~~
22 ~~lunch students.~~

23 ~~(b) The State Board of Education shall~~
24 ~~establish rules to be used by the Division of Elementary and Secondary~~
25 ~~Education to determine;~~

26 ~~(1) The amount of growth necessary to~~
27 ~~qualify as significant growth;~~

28 ~~(2) The expected increase in the number~~
29 ~~of national school lunch students based on the expected increase in enrolled~~
30 ~~students; and~~

31 ~~(3) Which public school districts have~~
32 ~~experienced a significant growth in enrolled students as necessary to qualify~~
33 ~~for funding under this subdivision (b)(4)(B)(v).~~

34 ~~(c) The Division of Elementary and Secondary~~
35 ~~Education shall not be required to adjust or fund a public school district's~~
36 ~~national school lunch students based on the current year's number of national~~

1 ~~school lunch students enrolled in the public school district or the average~~
2 ~~growth of students in the public school district.~~

3 ~~(C)(i)(a) A school district shall expend funds allocated~~
4 ~~under this subdivision (b)(4) in accordance with the rules developed by the~~
5 ~~Division of Elementary and Secondary Education to provide the following~~
6 ~~supports and resources:~~

7 ~~(1) If the school district meets the~~
8 ~~teacher compensation requirements according to the minimum salary schedule~~
9 ~~under § 6-17-2403 for teachers serving in positions required by the Standards~~
10 ~~for Accreditation of Arkansas Public Schools and School Districts without~~
11 ~~using funds provided under this subdivision (b)(4):~~

12 ~~(A) The hiring of additional~~
13 ~~teachers for core academic subject areas, as identified in the Division of~~
14 ~~Elementary and Secondary Education Rules Governing the Arkansas Qualified~~
15 ~~Teacher Requirements, that are not required by the Standards for~~
16 ~~Accreditation of Arkansas Public Schools and School Districts;~~

17 ~~(B) The enhancement of teacher~~
18 ~~salaries for recruitment and retention purposes;~~

19 ~~(C) Obtaining additional~~
20 ~~compensation for teachers who assume identified leadership roles; or~~

21 ~~(D) Additional compensation for~~
22 ~~teachers who assume additional responsibilities that support student academic~~
23 ~~achievement;~~

24 ~~(2) Academic supports and interventions,~~
25 ~~including without limitation curriculum specialists, facilitators, tutors,~~
26 ~~dyslexia interventions, and Response to Intervention;~~

27 ~~(3) Social, emotional, and behavioral~~
28 ~~supports;~~

29 ~~(4) Physical and mental health~~
30 ~~resources, including without limitation personnel;~~

31 ~~(5) Early intervention resources,~~
32 ~~including without limitation prekindergarten programs, school tutoring~~
33 ~~programs that take place before or after school, and early literacy~~
34 ~~interventions; and~~

35 ~~(6) Access to postsecondary~~
36 ~~opportunities, including without limitation access to career coaches,~~

1 ~~concurrent credit courses, college entrance support, and career readiness~~
2 ~~support.~~

3 ~~(b)(1) By July 1, 2022, each public school~~
4 ~~district shall submit a three year enhanced student achievement plan to the~~
5 ~~Division of Elementary and Secondary Education describing the school~~
6 ~~district's intended and implemented strategies to enhance student achievement~~
7 ~~and how enhanced student achievement funds will be used to support the~~
8 ~~strategies of the school district as permitted by this subdivision (b)(4) and~~
9 ~~rules promulgated by the State Board of Education.~~

10 ~~(2) A school district shall review~~
11 ~~annually the school district's enhanced student achievement plan and shall~~
12 ~~review the progress of the school district's enhanced student achievement~~
13 ~~plan.~~

14 ~~(3) The enhanced student achievement~~
15 ~~plan of a school district shall be updated as necessary by the school~~
16 ~~district, and amendments to the enhanced student achievement plan shall be~~
17 ~~submitted annually to the Division of Elementary and Secondary Education with~~
18 ~~the annual budget of the school district.~~

19 ~~(4) The Division of Elementary and~~
20 ~~Secondary Education shall monitor the implementation and progress of the~~
21 ~~enhanced student achievement plan of a school district.~~

22 ~~(5) A school district that does not~~
23 ~~demonstrate progress toward the goals of the enhanced student achievement~~
24 ~~plan of the school district for three (3) consecutive years may be subject to~~
25 ~~one (1) or more of the following:~~

26 ~~(A) Additional monitoring by the~~
27 ~~Division of Secondary and Elementary Education;~~

28 ~~(B) An increased level of support~~
29 ~~as provided in § 6-15-2913; or~~

30 ~~(C) A corrective action plan that~~
31 ~~shall be developed in collaboration with the Division of Elementary and~~
32 ~~Secondary Education.~~

33 ~~(c) The list of approved programs established~~
34 ~~before July 24, 2019, by the State Board of Education under subdivision~~
35 ~~(b)(4)(C)(i)(a) of this section shall expire on June 30, 2022.~~

36 ~~(d) The State Board of Education shall~~

1 ~~promulgate rules for the implementation of this subdivision (b)(4)(C)(i) that~~
2 ~~shall include without limitation:~~

3 ~~(1) The process for submitting an~~
4 ~~enhanced student achievement plan;~~

5 ~~(2) The process for monitoring the~~
6 ~~expenditure of funds allocated under this subdivision (b)(4); and~~

7 ~~(3) The specific requirements,~~
8 ~~qualifications, and criteria for allowable supports and resources.~~

9 ~~(ii)(a) A school district shall budget one~~
10 ~~hundred percent (100%) of funds allocated under this subdivision (b)(4) each~~
11 ~~year to provide the supports and resources described in subdivision~~
12 ~~(b)(4)(C)(i)(a) of this section.~~

13 ~~(b) If a school district intends to transfer~~
14 ~~funds allocated under this subdivision (b)(4) to other programs, the school~~
15 ~~district shall provide justification for the transfer of funds to the~~
16 ~~Division of Elementary and Secondary Education.~~

17 ~~(iii) Notwithstanding any other provision of law, if~~
18 ~~the Division of Elementary and Secondary Education determines that a school~~
19 ~~district's expenditure of funds allocated under this subdivision (b)(4) would~~
20 ~~result in the school district's losing funding under any federal law, then~~
21 ~~the funds allocated to a school district under this subdivision (b)(4) may be~~
22 ~~expended for other academic programs or salaries.~~

23 ~~(iv) The Division of Elementary and Secondary~~
24 ~~Education may direct that a school district expend available funds on~~
25 ~~specified programs under subdivision (b)(4)(C)(i) of this section.~~

26 ~~(v) The Division of Elementary and Secondary~~
27 ~~Education shall develop appropriate forms for use by school districts to~~
28 ~~comply with this subdivision (b)(4)(C) and the rules of the State Board of~~
29 ~~Education.~~

30 ~~(D)(i) The Division of Elementary and Secondary Education~~
31 ~~shall provide a report on the progress of school districts in meeting plan~~
32 ~~goals to the House Committee on Education and the Senate Committee on~~
33 ~~Education by October 1 of each odd-numbered year, beginning in 2023.~~

34 ~~(ii) The report shall include information broken~~
35 ~~down by category as described in subdivision (b)(4)(A) of this section on:~~

36 ~~(a) How school districts are spending funds~~

1 ~~provided under this subdivision (b)(4), including specific programs utilized~~
2 ~~by school districts;~~

3 ~~(b) The amount of funds transferred to another~~
4 ~~categorical fund, including an explanation of why the funds were transferred;~~
5 ~~and~~

6 ~~(c) The analysis of student achievement data~~
7 ~~evaluated in student achievement growth models as described in § 6-15-2908~~
8 ~~shall be expanded to include the evaluation of the best estimates of~~
9 ~~classroom, school, and school district effects on enhancing student~~
10 ~~achievement, in addition to the examination of student progress based on~~
11 ~~established value-added longitudinal calculations.~~

12 ~~(iii) The report shall be included in the General~~
13 ~~Assembly's biennial adequacy study to evaluate the adequacy of education in~~
14 ~~the state.~~

15 ~~(E)(i) By June 30 of each year, a school district shall~~
16 ~~spend a minimum of eighty five percent (85%) of the school district's annual~~
17 ~~funding allocation as provided under subdivision (b)(4)(C) of this section.~~

18 ~~(ii) A school district that on June 30 of any year~~
19 ~~has an enhanced student achievement funding balance in excess of fifteen~~
20 ~~percent (15%) of the school district's current year enhanced student~~
21 ~~achievement funding allocation shall reduce its total enhanced student~~
22 ~~achievement funding balance by at least ten percent (10%) in each year that~~
23 ~~follows so that by June 30 of each year, the school district has a balance of~~
24 ~~no more than fifteen percent (15%) of the school district's current year~~
25 ~~enhanced student achievement funding allocation.~~

26 ~~(iii)(a) Under an unusual and limited~~
27 ~~circumstance, including without limitation an increase in one time funds or~~
28 ~~an unexpected decrease in school district revenues during a given year, a~~
29 ~~school district may request that the Division of Elementary and Secondary~~
30 ~~Education waive the requirements of this subdivision (b)(4)(E).~~

31 ~~(b) A school district seeking a waiver shall~~
32 ~~file a waiver request with the Commissioner of Elementary and Secondary~~
33 ~~Education, accompanied by a resolution adopted by the school district's board~~
34 ~~of directors, describing the unusual and limited circumstances.~~

35 ~~(iv) The commissioner may grant a waiver request~~
36 ~~under this subdivision (b)(4)(E) for up to one (1) year if the commissioner~~

1 ~~finds that the request is necessary based upon the unusual and limited~~
2 ~~circumstances.~~

3 ~~(v)(a) The Division of Elementary and Secondary~~
4 ~~Education shall monitor on a yearly basis each school district's compliance~~
5 ~~with the requirements of this subdivision (b)(4)(E).~~

6 ~~(b) If a school district fails to comply with~~
7 ~~the requirements of this subdivision (b)(4)(E) during a school year, the~~
8 ~~Division of Elementary and Secondary Education may in the following school~~
9 ~~year withhold from that school district's national school lunch state~~
10 ~~categorical funding allocation an amount equal to the amount required to be~~
11 ~~spent by the school district in order to be in compliance with the~~
12 ~~requirements of this subdivision (b)(4)(E).~~

13 ~~(c) The Division of Elementary and Secondary~~
14 ~~Education may redistribute amounts withheld under this subdivision (b)(4)(E)~~
15 ~~to other school districts entitled to receive national school lunch state~~
16 ~~categorical funding allocations.~~

17 ~~(5)(A) For each school year, professional development funding~~
18 ~~shall be equal to an amount of up to forty dollars and eighty cents (\$40.80)~~
19 ~~multiplied by the school district's previous school year average daily~~
20 ~~membership.~~

21 ~~(B) Funding for professional development for teachers in~~
22 ~~Arkansas public schools required under the Teacher Excellence and Support~~
23 ~~System, § 6-17-2801 et seq., other law or rule, or by the school district~~
24 ~~shall be used for professional development activities and materials that:~~

25 ~~(i) Improve the knowledge, skills, and effectiveness~~
26 ~~of teachers;~~

27 ~~(ii) Address the knowledge and skills of~~
28 ~~administrators and paraprofessionals concerning effective instructional~~
29 ~~strategies, methods, and skills;~~

30 ~~(iii) Lead to improved student academic achievement;~~
31 ~~and~~

32 ~~(iv) Provide training for school bus drivers as~~
33 ~~outlined in rules promulgated by the Commission for Arkansas Public School~~
34 ~~Academic Facilities and Transportation.~~

35 ~~(C)(i) For the 2021-2022 school year, additional funding~~
36 ~~up to fourteen million five hundred thousand dollars (\$14,500,000) and for~~

1 ~~the 2022-2023 school year, additional funding up to sixteen million five~~
2 ~~hundred thousand dollars (\$16,500,000), provided for professional development~~
3 ~~above the amount in subdivision (b)(5)(A) of this section shall be used by~~
4 ~~the Division of Elementary and Secondary Education for the development and~~
5 ~~administration of professional learning communities for the benefit of public~~
6 ~~school districts.~~

7 ~~(ii)(a) The Division of Elementary and~~
8 ~~Secondary Education shall promulgate rules to administer the additional~~
9 ~~professional development funding under subdivision (b)(5)(C)(i) of this~~
10 ~~section.~~

11 ~~(b) The Division of Elementary and~~
12 ~~Secondary Education may partner with or choose a person, firm, corporation,~~
13 ~~or education service cooperative to provide the knowledge, skills,~~
14 ~~experience, and expertise for the development of a research-based process for~~
15 ~~the implementation of professional learning communities.~~

16 ~~(6)(A)(i) Beginning with the 2021-2022 school year, for school~~
17 ~~districts identified by the Division of Elementary and Secondary Education as~~
18 ~~having an average annual teacher salary below the statewide target average~~
19 ~~annual salary, teacher salary equalization funding shall be equal to one~~
20 ~~hundred eighty five dollars (\$185) multiplied by the average daily membership~~
21 ~~of the school district for the previous school year.~~

22 ~~(ii) For the 2021-2022 and 2022-2023 school years,~~
23 ~~the statewide target average annual salary shall be fifty one thousand eight~~
24 ~~hundred twenty two dollars (\$51,822).~~

25 ~~(iii) The House Committee on Education and the~~
26 ~~Senate Committee on Education shall set jointly the statewide target average~~
27 ~~annual salary for the 2023-2024 and 2024-2025 school years, and each biennium~~
28 ~~thereafter, as part of the adequacy review process required under § 10-3-~~
29 ~~2102.~~

30 ~~(B)(i) On or before October 31 of each year, the Division~~
31 ~~of Elementary and Secondary Education shall determine if a school district is~~
32 ~~eligible to receive teacher salary equalization funds by reviewing certified~~
33 ~~salary data submitted by the school district for the immediately preceding~~
34 ~~fiscal year.~~

35 ~~(ii) A school district with an average annual~~
36 ~~teacher salary meeting or exceeding the statewide target average annual~~

1 ~~teacher salary for the year is ineligible to receive teacher salary~~
2 ~~equalization funds exceeding the amount received by the school district in~~
3 ~~the previous year.~~

4 ~~(iii)—A school district that receives funds from the~~
5 ~~Educator Compensation Reform Fund is ineligible to receive teacher salary~~
6 ~~equalization funds for the year in which the school district receives funds~~
7 ~~from the Educator Compensation Reform Fund.~~

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

11 ~~(G)—Teacher salary equalization funding provided to a~~
12 ~~school district under this subchapter shall be expended only for teacher~~
13 ~~salaries and benefits.~~

14 ~~(c)—Isolated funding under § 6-20-601, student growth funding, and~~
15 ~~special education high-cost occurrences funding shall be funded as follows:~~

16 ~~(1)—Isolated funding and special education high-cost occurrences~~
17 ~~funding shall be allocated and funded to school districts in a line item~~
18 ~~appropriation within the Public School Fund pursuant to law or rules~~
19 ~~promulgated by the State Board of Education; and~~

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

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

25 ~~(i)—The school district's quarterly average daily~~
26 ~~membership for the fourth quarter of the previous school year over the~~
27 ~~average daily membership in the year before the fourth quarter;~~

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

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

34 ~~(iv)—The school district's quarterly average daily~~
35 ~~membership for the third quarter of the current school year over the average~~
36 ~~daily membership of the previous school year;~~

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

3 ~~(C) If net revenues minus any recoupment under subdivision~~
4 ~~(a)(4)(B) of this section plus miscellaneous funds calculated under § 6-20-~~
5 ~~2308(b)(1)(A) exceed the foundation funding amount, a school district shall~~
6 ~~be eligible to receive the amount of calculated student growth funding that~~
7 ~~exceeds net revenues minus any recoupment under subdivision (a)(4)(B) of this~~
8 ~~section plus miscellaneous funds calculated under § 6-20-2308(b)(1)(A).~~

9 ~~(d) The sum of subsections (a) (c) of this section shall be the total~~
10 ~~state aid allocated and funded to school districts pursuant to this section.~~

11 ~~(e)(1) Funds distributed to school districts under subsection (b) of~~
12 ~~this section shall be expended on:~~

13 ~~(A) The students within each category of special needs for~~
14 ~~which the funds were allocated;~~

15 ~~(B) Any students within any category of special needs~~
16 ~~under subsection (b) of this section as permitted by rules issued by the~~
17 ~~State Board of Education; or~~

18 ~~(C) If the Division of Elementary and Secondary Education~~
19 ~~determines that a school district's expenditure of funds allocated under~~
20 ~~subsection (b) of this section would result in the school district's losing~~
21 ~~funding under any federal law, then the funds allocated to a school district~~
22 ~~under subsection (b) of this section may be expended for other academic~~
23 ~~programs or salaries as permitted by the Division of Elementary and Secondary~~
24 ~~Education.~~

25 ~~(2) On June 30, 2012, and on June 30 of each school year~~
26 ~~thereafter, if the total aggregate balance of all state categorical fund~~
27 ~~sources exceeds twenty percent (20%) of the school district's total aggregate~~
28 ~~annual state categorical fund allocations for the current school year, the~~
29 ~~school district shall reduce the total balance by ten percent (10%) each year~~
30 ~~until the school district's June 30 balance of aggregate annual categorical~~
31 ~~fund sources is twenty percent (20%) or less of the total aggregate annual~~
32 ~~state categorical fund allocations for the current school year.~~

33 ~~(3) A school district may transfer funds received from any~~
34 ~~categorical fund source to another categorical fund source.~~

35 ~~(4)(A) The Division of Elementary and Secondary Education shall~~
36 ~~monitor on a yearly basis each school district's compliance with the~~

1 ~~requirements of this subsection.~~

2 ~~(B) If a school district fails to comply with the~~
3 ~~requirements of this subsection during a school year, the Division of~~
4 ~~Elementary and Secondary Education may in the following school year withhold~~
5 ~~from that school district's categorical funding allocation an amount equal to~~
6 ~~the amount required to be spent by the school district in order to be in~~
7 ~~compliance with the requirements of this subsection.~~

8 ~~(C) The Division of Elementary and Secondary Education may~~
9 ~~redistribute amounts withheld under this subsection to other school districts~~
10 ~~entitled to receive categorical funding allocations.~~

11 ~~(f) In order for a school district to be entitled to state funds under~~
12 ~~the provisions of this subchapter, the school district shall satisfy the~~
13 ~~following requirements:~~

14 ~~(1) Expenditures for any fiscal year shall not exceed the legal~~
15 ~~revenues for that fiscal year;~~

16 ~~(2) The school district shall maintain records and make reports~~
17 ~~relative to attendance, receipts, and disbursements and other reports as~~
18 ~~required by the Division of Elementary and Secondary Education for the~~
19 ~~administration of this subchapter;~~

20 ~~(3) The school district shall maintain proper financial records~~
21 ~~in accordance with the state's school accounting manual and rules promulgated~~
22 ~~by the State Board of Education;~~

23 ~~(4)(A) Each school year the school district shall file with the~~
24 ~~State Board of Education a salary schedule for its licensed employees that~~
25 ~~recognizes a minimum level of training and experience.~~

26 ~~(B) The schedule shall reflect the actual pay practices of~~
27 ~~the school district, including all fringe benefits.~~

28 ~~(C) Salary increments for experience or education, or~~
29 ~~both, shall be identified on the schedule; and~~

30 ~~(5)(A) All pupil attendance records shall be kept in their~~
31 ~~original form and shall be public records.~~

32 ~~(B) The records shall be kept according to law and rules~~
33 ~~on paper or electronic forms either furnished or approved by the Division of~~
34 ~~Elementary and Secondary Education.~~

35 ~~(C) After the school term has ended, the superintendent of~~
36 ~~the school district shall:~~

1 ~~(i) Keep the original attendance records on file for~~
2 ~~a period of three (3) school years; and~~

3 ~~(ii) Make the original attendance records available~~
4 ~~for monitoring purposes during any day of the school term for the teachers or~~
5 ~~other persons designated to keep attendance.~~

6 ~~(g)(1) By the end of each school year, each school district shall~~
7 ~~submit to the Division of Elementary and Secondary Education a report listing~~
8 ~~each program upon which funds allocated under subsection (b) of this section~~
9 ~~were expended, the amount expended, and any other information required by the~~
10 ~~Division of Elementary and Secondary Education.~~

11 ~~(2) The Division of Elementary and Secondary Education shall~~
12 ~~develop appropriate reporting forms for use by school districts.~~

13
14 SECTION 6. Arkansas Code § 6-20-2306 is repealed.

15 ~~6-20-2306. Division of Elementary and Secondary Education to provide~~
16 ~~funding—Adjustments for overpayments.~~

17 ~~(a) If the Division of Elementary and Secondary Education determines~~
18 ~~that an overpayment has been made to a school district under any~~
19 ~~appropriation authorized by this subchapter, the division may:~~

20 ~~(1) Withhold the overpayment from subsequent state funding;~~

21 ~~(2) Transfer the amount withheld for the overpayment to the line~~
22 ~~item appropriation from which the overpayment was initially made; or~~

23 ~~(3) Request a refund from the school district in the amount of~~
24 ~~the overpayment.~~

25 ~~(b) The school district shall comply as directed by the division.~~

26
27 SECTION 7. Arkansas Code § 6-20-2307 is repealed.

28 ~~6-20-2307. Property tax report.~~

29 ~~In order to provide relevant information to the General Assembly~~
30 ~~impacting the funding of public education, upon approval of the Legislative~~
31 ~~Joint Auditing Committee, Arkansas Legislative Audit shall prepare a report~~
32 ~~regarding the assessment and collection of property taxes.~~

33
34 SECTION 8. Arkansas Code § 6-20-2308 is repealed.

35 ~~6-20-2308. Calculation of miscellaneous funds.~~

36 ~~(a) For the purpose of making an initial calculation of state~~

1 ~~foundation funding aid, the Division of Elementary and Secondary Education~~
2 ~~shall calculate the miscellaneous funds of a school district as:~~

3 ~~(1) The aggregate amount of miscellaneous funds a school~~
4 ~~district received in the calendar year immediately preceding the beginning of~~
5 ~~the current school fiscal year; multiplied by~~

6 ~~(2) The ratio of the uniform rate of tax to the school~~
7 ~~district's total millage rate in effect as of January 1 of the calendar year~~
8 ~~in which the school district received the miscellaneous funds.~~

9 ~~(b)(1) Except as provided under subdivision (b)(2) of this section,~~
10 ~~for a school district that receives state foundation funding aid and receives~~
11 ~~an aggregate amount of miscellaneous funds during the calendar year in which~~
12 ~~the current school fiscal year began that is less than the aggregate amount~~
13 ~~of miscellaneous funds the school district received in the calendar year~~
14 ~~immediately preceding the beginning of the current school fiscal year, by the~~
15 ~~end of the school fiscal year the division shall distribute to the school~~
16 ~~district an amount equal to the difference between:~~

17 ~~(A) The amount of miscellaneous funds calculated for the~~
18 ~~calendar year in which the current school fiscal year began; and~~

19 ~~(B) The amount of miscellaneous funds calculated for the~~
20 ~~calendar year immediately preceding the beginning of the current school~~
21 ~~fiscal year.~~

22 ~~(2) The sum of the following amounts shall not exceed the~~
23 ~~foundation funding amount under § 6-20-2305(a)(2):~~

24 ~~(A) State foundation funding aid for the current school~~
25 ~~fiscal year;~~

26 ~~(B) The school district's miscellaneous funds calculated~~
27 ~~for the calendar year in which the school fiscal year began;~~

28 ~~(C) Ninety-eight percent (98%) of the uniform rate of tax~~
29 ~~multiplied by the property assessment of the school district;~~

30 ~~(D) A distribution under subdivision (b)(1) of this~~
31 ~~section; and~~

32 ~~(E) A distribution or recoupment under § 6-20-2305(a)(4).~~

33 ~~(c)(1) Beginning with the 2014-2015 school fiscal year, the division~~
34 ~~shall recoup an overpayment of state funding under the authority provided by~~
35 ~~§ 6-20-2306 for a school district that receives:~~

36 ~~(A) State foundation funding aid; and~~

1 ~~(B) An aggregate amount of miscellaneous funds for the~~
2 ~~calendar year in which the current school fiscal year began that is greater~~
3 ~~than the aggregate amount of miscellaneous funds it received in the calendar~~
4 ~~year immediately preceding the beginning of the current school fiscal year.~~

5 ~~(2) The division shall recoup from the school district an amount~~
6 ~~equal to the difference between:~~

7 ~~(A) The amount of miscellaneous funds calculated for the~~
8 ~~calendar year in which the current school fiscal year began; and~~

9 ~~(B) The amount of miscellaneous funds calculated for the~~
10 ~~calendar year immediately preceding the beginning of the current school~~
11 ~~fiscal year.~~

12 ~~(3) A recoupment from a school district under this subsection~~
13 ~~shall not exceed the amount of state foundation funding aid distributed to~~
14 ~~the school district for the school fiscal year on which the recoupment is~~
15 ~~based.~~

16
17 SECTION 9. Arkansas Code Title 6, Chapter 20, is amended to add an
18 additional subchapter to read as follows:

19 Subchapter 27 – Comprehensive Investment in Student Achievement Act

20
21 6-20-2701. Title.

22 This act shall be known and may be cited as the "Comprehensive
23 Investment in Student Achievement Act".

24
25 6-20-2702. Legislative findings and intent.

26 (a) The General Assembly finds that:

27 (1) Intelligence and virtue are the safeguards of liberty and
28 the bulwark of a free and good government;

29 (2) Arkansas Constitution, Article 14, § 1, requires the State
30 of Arkansas to ever maintain a general, suitable, and efficient system of
31 free public schools and to adopt all suitable means to secure to the people
32 the advantages and opportunities of education;

33 (3) Because of the decision of the Supreme Court in Lake View
34 School District No. 25 v. Huckabee, 351 Ark. 31 (2002), it is the absolute
35 duty of the State of Arkansas to provide all public school children with an
36 opportunity for an adequate education;

1 (4) A suitable and efficient system of public education should:

2 (A) Ensure the availability of substantially equal and
3 constitutionally appropriate expenditures by the state for the education of
4 each similarly situated child in public schools, regardless of where that
5 child resides within the state;

6 (B) Ensure that each school-age child who attends a public
7 school attends a public school that offers a competitive minimum salary for
8 classroom teachers;

9 (C) Ensure that:

10 (i) All public school students graduating from high
11 school are able to demonstrate a defined, adequate level of competence in:

12 (a) English, oral communications, reading, and
13 writing;

14 (b) Mathematics skills; and

15 (c) Science and social studies disciplines;
16 and

17 (ii) The level of competence under subdivision
18 (a)(4)(C)(i) of this section evolves over time to higher levels;

19 (D) Ensure that students with disabilities have the
20 opportunity to graduate from high school by demonstrating alternative
21 competencies or alternative levels of competency;

22 (E) Ensure that students who are not on track for high
23 school graduation are identified at a sufficiently early date so that the
24 students can be provided an opportunity at a reasonable cost to achieve the
25 minimum level of competence necessary to graduate from high school;

26 (F) Recognize that graduating from high school requires
27 that the students and their parents, legal guardians, and persons standing in
28 loco parentis to the students work hard and assume appropriate responsibility
29 for the students' success or failure; and

30 (G) Recognize that early attention to and correction of
31 student deficiencies are substantially less expensive and more effective than
32 remedial efforts in the later school grades;

33 (5) Arkansas recognizes that it is in the best interest of this
34 state to provide a free public education system for all students;

35 (6) A free public education system must be supported by a state
36 education funding formula that is based on accountability, transparency,

1 growth, and flexibility; and

2 (7) The provision of a free public education system that is
3 rooted in an accountable, transparent, growth-based, and flexible funding
4 formula ensures that:

5 (A) Every public school student in the state receives the
6 resources they need;

7 (B) Every dollar maximizes the impact of the resources
8 needed by each public school student in the state;

9 (C) Decisions are strategically made at the local level by
10 public school districts and open-enrollment public charter schools;

11 (D) Parents, legal guardians, and persons standing in loco
12 parentis to students are informed; and

13 (E) The public understands the state's public education
14 system.

15 (b) The General Assembly declares that:

16 (1) The creation of a new formula for funding a free public
17 education system in the State of Arkansas is warranted, and this funding
18 formula must be designed to support the:

19 (A) Empowerment of each student to read proficiently by
20 grade three (3) and each grade thereafter;

21 (B) Preparation of each high school graduate to succeed in
22 the postsecondary program or career of each high school graduate's choice;
23 and

24 (C) Provision of the resources needed by each student in
25 the State of Arkansas to succeed, regardless of the student's individual
26 circumstances;

27 (2) The funding formula is intended to be a funding plan and not
28 a spending plan;

29 (3) The foundation funding amount included in the funding
30 formula includes funding for:

31 (A) Instructional supports, including without limitation
32 salaries for public school:

33 (i) Classroom teachers;

34 (ii) Principals and assistant principals;

35 (iii) Art, music, and physical education teachers in
36 elementary schools;

- 1 (iv) Counselors;
- 2 (v) Social workers;
- 3 (vi) Psychologists;
- 4 (vii) Librarians;
- 5 (viii) Nurses;
- 6 (ix) Secretaries; and
- 7 (x) Substitute teachers;
- 8 (B) The following for teachers:
- 9 (i) Duty-free lunches;
- 10 (ii) Interventions; and
- 11 (iii) Professional development;
- 12 (C) Materials and supplies, including without limitation:
- 13 (i) Textbooks;
- 14 (ii) Technology;
- 15 (iii) Instructional and noninstructional equipment;
- 16 and
- 17 (iv) Classroom-related travel;
- 18 (D) Operational expenses, including without limitation
- 19 expenses for:
- 20 (i) Maintenance;
- 21 (ii) Transportation;
- 22 (iii) School safety;
- 23 (iv) Coordinated school health programs;
- 24 (v) Family resource centers;
- 25 (vi) Alternative schools; and
- 26 (vii) Custodians; and
- 27 (E) Support systems, including without limitation:
- 28 (i) Superintendents of public school districts;
- 29 (ii) Technology directors;
- 30 (iii) Administrative assistant support; and
- 31 (iv) Public school district-wide instructional
- 32 supervisors; and
- 33 (4) It is the intent of this subchapter to provide a system of
- 34 school funding that provides to each public school child in the State of
- 35 Arkansas an opportunity for an adequate education.

36

1 6-20-2703. Public School Fund.

2 (a) The Public School Fund consists of all funds:

3 (1) Appropriated to or allocated from the Treasurer of State for
4 the operation and maintenance of public schools in this state; and

5 (2) That may derive from any state or local taxes, the proceeds
6 of which are devoted to public school purposes.

7 (b) The Public School Fund shall be administered and distributed in
8 accordance with this subchapter or, if not controlled by the provisions of
9 this subchapter, then in accordance with the provisions of general
10 appropriations, as applicable.

11 (c) Notwithstanding any law to the contrary, the changes in education
12 funding implemented by this subchapter shall be subject to and implemented
13 only in accordance with funding as approved by the General Assembly.

14
15 6-20-2704. Definitions.

16 As used in this subchapter:

17 (1)(A) "Average daily membership" means the sum of the total
18 number of days in which a public school student is enrolled in a public
19 school divided by the number of days that school is in session during an
20 established period of the current school year.

21 (B) As applied to this subchapter, students who may be
22 counted for average daily membership are:

23 (i) Kindergarten through grade twelve (K-12)
24 students who reside in the State of Arkansas and who:

25 (a) Reside within the boundaries of a public
26 school district;

27 (b) Are enrolled in a public school operated
28 by a public school district; and

29 (c) Are enrolled in a curriculum that fulfills
30 the requirements established by the State Board of Education under the
31 Standards for Accreditation of Arkansas Public Schools and School Districts;

32 (ii) Legally transferred students living outside a
33 public school district but are:

34 (a) Attending a public school in a school
35 district under a provision of state law; and

36 (b) Are enrolled in a curriculum that fulfills

1 the requirements established by the state board under the Standards for
2 Accreditation of Arkansas Public Schools and School Districts;

3 (iii) Open-enrollment public charter school students
4 who are enrolled in a curriculum that fulfills the requirements established
5 by the state board under the Standards for Accreditation of Arkansas Public
6 Schools and School Districts;

7 (iv) Students who are eligible to attend and who
8 reside within the boundaries of a public school district and are enrolled in
9 the Arkansas National Guard Youth Challenge Program, so long as the students
10 are participants in the program;

11 (v) Students who are enrolled in a public school
12 operated by a school district and who have been placed by the Department of
13 Human Services in a licensed or approved foster home, shelter, or facility,
14 or an exempt child welfare agency as defined under § 9-28-402, if:

15 (a) The student was enrolled in the public
16 school district before placement;

17 (b) The foster home or other placement is
18 located within the boundaries of the public school district;

19 (c) The juvenile division of the circuit court
20 with jurisdiction over a dependency-neglect action concerning the student has
21 issued an order allowing the student to attend a public school in the public
22 school district; or

23 (d) Enrollment in the public school district
24 is necessary to ensure continuity of educational services under § 9-28-113;
25 or

26 (vi) Transitioning inbound children of military
27 families who have provisionally enrolled in a public school district under
28 the Arkansas Military Child School Transitions Act of 2021, § 6-28-101 et
29 seq.

30 (C)(i) Except for those circumstances otherwise allowed by
31 law or rule, a student who is absent from daily attendance for more than ten
32 (10) consecutive school days shall be dropped from the attendance records of
33 the public school.

34 (ii) A student who fails to attend a public school
35 by the tenth regular school day of the semester shall be retroactively
36 dropped from the first day of the school semester for purposes of calculating

1 attendance totals;

2 (2) "Career and technical program" means a coordinated, non-
3 duplicative sequence of academic and technical content that:

4 (A) Incorporates challenging state academic standards;

5 (B) Addresses academic and technological knowledge and
6 skills, including employability skills;

7 (C) Is aligned with the needs of industries in the economy
8 of the state, region, or local area;

9 (D) Progresses in degree of specificity, beginning with
10 all aspects of an industry or career cluster and leading to more occupation-
11 specific instruction, including early postsecondary instruction;

12 (E) Has multiple entry and exit points that incorporate
13 credentialing; and

14 (F) Culminates in the attainment of a recognized
15 credential;

16 (3) "Comprehensive assessment program" means the statewide
17 student assessment system implemented and administered under § 6-15-2907;

18 (4) "Concentrated poverty" means that a student is a member in a
19 public school that is eligible for Title I school-wide designation;

20 (5) "Direct allocation" means an allocation that is in addition
21 to the foundation funding amount for a public school student and is expressed
22 as a flat-dollar amount;

23 (6) "Distribution period" means the period for which the
24 Division of Elementary and Secondary Education distributes funds;

25 (7)(A) "Economically disadvantaged student" means a student or
26 the percentage of enrolled students from low socioeconomic backgrounds as
27 indicated by eligibility for free or reduced-price meals under the National
28 School Lunch Act, 42 U.S.C. § 1751 et seq., as it existed on January 1, 2023,
29 and as determined on October 1 of each school year and submitted to the
30 division, unless a public school is identified by the division as
31 participating in the special assistance certification and reimbursement
32 alternative implemented under 42 U.S.C. § 1759a, as it existed on January 1,
33 2023.

34 (B)(i) If a public school is participating in the special
35 assistance certification and reimbursement alternative under 42 U.S.C. §
36 1759a, as it existed on January 1, 2023, then, for purposes of funding under

1 this subchapter, the public school's annual percentage of economically
2 disadvantaged students shall be equal to the percentage submitted in the base
3 year, which means the last school year for which eligibility determinations
4 were made and in accordance with rules adopted by the state board.

5 (ii) The state board may promulgate rules necessary
6 to meet the federal requirements under 42 U.S.C. § 1759a, as it existed on
7 January 1, 2023, in order to enable a public school to fully participate in
8 federal and state programs;

9 (8) "English-language learner" means a student identified by the
10 State Board of Education as not proficient in the English language based upon
11 approved English proficiency assessment instruments administered annually in
12 the fall of the current school year, which measure oral, reading, and writing
13 proficiency;

14 (9) "Existing educator" means a kindergarten through grade
15 twelve (K-12) classroom teacher who provides direct service to public school
16 students at a public school;

17 (10)(A) "Foundation funding amount" means the uniform dollar
18 amount that each public school student generates towards the public school
19 student's funding allocation in a given year.

20 (B) "Foundation funding amount" includes:

21 (i) The foundation funding allocations that a public
22 school received in the 2022-2023 school year; and

23 (ii) Other fund sources identified by the House
24 Committee on Education and Senate Committee on Education, with assistance
25 from the Division of Elementary and Secondary Education, during the 2024
26 biennial adequacy review study under § 10-3-2101 et seq.;

27 (11) "Local contribution" means the dollar amount of the uniform
28 tax rate of twenty-five (25) mills that a local government is required to pay
29 toward the local share of public school funds;

30 (12) "Membership" means the total number of kindergarten through
31 grade twelve (K-12) students who are:

32 (A) Enrolled in a public school in the State of Arkansas;

33 and

34 (B) Arkansas residents;

35 (13) "Miscellaneous funds" means funds received by a school
36 district;

1 (A) From federal forest reserves, federal grazing rights,
2 federal mineral rights, federal impact aid, federal flood control, wildlife
3 refuge funds, and severance taxes; and

4 (B) In lieu of taxes, and local sales and use taxes
5 dedicated to education under § 26-74-201 et seq., § 26-74-301 et seq., § 26-
6 75-301 et seq., and the Local Government Bond Act of 1985, § 14-164-301 et
7 seq.;

8 (14) "Postsecondary readiness assessment" means the assessment
9 required under § 6-15-2907;

10 (15) "Public school" means:

11 (A) A public school or public school district; or

12 (B) An open-enrollment public charter school;

13 (16) "Small district" means a public school district with a
14 membership between three hundred fifty-one (351) and five hundred (500)
15 students;

16 (17) "Sparse district" means a traditional public school
17 district in which there are between one and fifty-one hundredths (1.51) and
18 two (2) students per average daily membership per square mile in the public
19 school district;

20 (18)(A) "Unique learning need" means a learning need for which a
21 public school must provide an enrolled student individualized services,
22 interventions, accommodations, or modifications:

23 (i) To meet the student's need under the Individuals
24 with Disabilities Education Act, 20 U.S.C. § 1400 et seq., as it existed on
25 January 1, 2023;

26 (ii) For purposes of a program for an English-
27 language learner;

28 (iii) That are documented in a written plan and
29 provided in accordance with the Individuals with Disabilities Education Act,
30 20 U.S.C. § 1400 et seq., as it existed on January 1, 2023; or

31 (iv) That are established and categorized into up to
32 ten (10) levels by the Division of Elementary and Secondary Education, as
33 provided in rules promulgated by the Division of Elementary and Secondary
34 Education, and based on the level of additional resources necessary to manage
35 a unique learning need.

36 (B) "Unique learning need" includes without limitation:

1 (i) A developmental or intellectual disability;

2 (ii) Characteristics of dyslexia;

3 (iii) Giftedness; and

4 (iv) Limited English language proficiency.

5 (C) A student may have one (1) or more unique learning
6 needs, including without limitation multiple unique learning needs of
7 different levels or of the same level as established in division rules under
8 subdivision (16)(A)(iv) of this section;

9 (19) "Very small district" means a traditional public school
10 district with a membership of three hundred fifty (350) or fewer students;

11 (20) "Very sparse district" means a traditional public school
12 district in which there are fewer than one and five-tenths (1.5) students per
13 average daily membership per square mile in the public school district; and

14 (21) "Weighted allocation" means an allocation in addition to
15 the foundation funding amount for a student that is expressed as a percentage
16 of the foundation funding amount.

17
18 6-20-2705. Program established.

19 (a)(1) There is created the Comprehensive Investment in Student
20 Achievement Program.

21 (2) The program shall include a student-based funding formula,
22 which shall serve as the system for funding kindergarten through grade twelve
23 (K-12) education in public schools.

24 (b) The program is established to support the:

25 (1) Empowerment of each student to read proficiently by grade
26 three (3) and each grade thereafter;

27 (2) Preparation of each high school graduate to succeed in the
28 postsecondary program or career of each high school graduate's choice; and

29 (3) Provision of the resources needed by each student in the
30 State of Arkansas to succeed, regardless of the student's individual
31 circumstances.

32 (c)(1) The Division of Elementary and Secondary Education shall
33 implement the program beginning with the 2025-2026 school year.

34 (2) Public school funding shall be allocated in accordance with
35 this subchapter and with rules promulgated by the division.

36 (d) By August 1, 2025, and annually on July 1 each year thereafter,

1 the division shall create and publish a program guide that outlines the
2 division's procedures for administering the program and that shall:

3 (1) Identify the data that the division receives from each
4 public school for purposes of administering the program;

5 (2) Explain how and when the data identified under subdivision
6 (d)(1) of this section shall be submitted to the division;

7 (3) Explain how a public school may dispute an alleged error in
8 an allocation made to the public school; and

9 (4) Identify each public school that qualifies as a small
10 district, sparse district, very small district, or very sparse district as
11 defined by § 6-20-2704.

12
13 6-20-2706. Foundation funding amount – Weighted allocation – Direct
14 allocation.

15 (a) Each student shall generate a funding allocation that includes the
16 following:

17 (1) The foundation funding amount;

18 (2) Weighted allocations for which an individual student
19 satisfies criteria established by subsection (b) of this section; and

20 (3) Direct allocations for which an individual student satisfies
21 criteria established by subsection (c) of this section.

22 (b)(1) A student shall generate weighted allocations, none of which
23 are mutually exclusive of the others.

24 (2) During each biennial adequacy review process under § 10-3-
25 2101 et seq., the House Committee on Education and the Senate Committee on
26 Education shall determine the tiered weighted allocations for each student
27 who:

28 (A)(i) Is economically disadvantaged.

29 (ii) However, the weighted allocation for a student
30 under subdivision (b)(2)(A)(i) of this section shall not be less than the
31 current rate of twelve percent (12%) for a free or reduced-price lunch
32 student;

33 (B)(i) Experiences concentrated poverty.

34 (ii) However, the weighted allocation for a student
35 under subdivision (b)(2)(B)(i) of this section shall not be less than five
36 percent (5%) of the foundation funding amount;

1 (C)(i) Resides in a small district.

2 (ii) However, the weighted allocation for a student
3 under subdivision (b)(2)(C)(i) of this section shall not be less than ten
4 percent (10%) of the foundation funding amount;

5 (D)(i) Resides in a very small district.

6 (ii) However, the weighted allocation for a student
7 under subdivision (b)(2)(D)(i) of this section shall not be less than twenty
8 percent (20%) of the foundation funding amount;

9 (E)(i) Resides in a sparse district.

10 (ii) However, the weighted allocation for a student
11 under subdivision (b)(2)(E)(i) of this section shall not be less than ten
12 percent (10%) of the foundation funding amount; and

13 (F)(i) Resides in a very sparse district.

14 (ii) However, the weighted allocation for a student
15 under subdivision (b)(2)(F)(i) of this section shall not be less than twenty
16 percent (20%) of the foundation funding amount.

17 (3)(A) The Division of Elementary and Secondary Education shall
18 promulgate rules to establish and categorize unique learning needs into up to
19 ten (10) levels that are based on the additional resources required to
20 support each unique learning need.

21 (B)(i) Before the division establishes and categorizes
22 unique learning needs as required under subdivision (b)(3)(A) of this
23 section, the division shall submit the proposed categorizations to the State
24 Board of Education, which shall then issue a positive, neutral, or negative
25 recommendation for the proposed categorizations.

26 (ii) The state board's recommendation for the
27 proposed categorizations under subdivision (b)(3)(B)(i) of this section shall
28 be included in the division's filing of the rules required under subdivision
29 (b)(3)(A) of this section with the Rules Committee of the Senate and Rules
30 Committee of the House of Representatives in conformance with § 10-3-309.

31 (c)(1) During each biennial adequacy review process under § 10-3-2101
32 et seq., the House Committee on Education and the Senate Committee on
33 Education shall determine the direct allocation amounts that are generated
34 for the following students:

35 (A) A rising fourth grade student who is determined to not
36 be proficient in English language arts based on the student's achieving a

1 performance level rating of the two (2) lowest performance categories on the
2 English language arts portion of the student's most recent comprehensive
3 assessment program;

4 (B)(i) A student who is assigned to a career and technical
5 program.

6 (ii) The direct allocation amounts for a student who
7 qualifies under subdivision (c)(1)(B)(i) of this section shall be based on
8 the designation of each student according to the number of years in which the
9 student has been assigned to the career and technical program;

10 (C) A student who is in grades eleven (11) or twelve (12)
11 in a public high school and who has not previously taken the ACT assessment;

12 (D) A student who is in grades eleven (11) or twelve (12)
13 in a public high school and who has previously taken the ACT assessment only
14 one (1) time;

15 (E) A student in kindergarten through grade three (K-3);
16 and

17 (F) A student who attends an open-enrollment public
18 charter school.

19 (2)(A)(i) The direct allocation funding a student generates
20 under this subsection (c) shall be administered and allocated by the division
21 to the public school in which the student is a member for the duration of the
22 student's membership in the public school.

23 (ii) However, the direct allocation funding a
24 student generates under subdivisions (c)(1)(C) and (c)(1)(D) of this section
25 shall not be allocated to the public school in which the student is a member,
26 but shall be maintained by the division.

27 (B)(i) A student's membership in a public school begins on
28 the first day of the student's membership and ends on the last day of the
29 student's membership.

30 (ii) However, a student shall not generate more than
31 one (1) average daily membership in a single school year.

32 (d)(1) A portion of any annual increase in the foundation funding
33 amount may be restricted by the General Assembly for the sole purpose of
34 providing salary increases for existing educators.

35 (2) If a portion of an annual increase in the foundation funding
36 amount is restricted under subdivision (d)(1) of this section, then a public

1 school shall use the restricted portion of the foundation funding amount to
2 provide salary increases to existing educators employed by the public school.

3 (e) Funding allocations under this section shall be based on:

4 (1) Data collected for a public school during cycle six (6) of
5 the first three (3) quarters of the current school year; and

6 (2) The annual report of ad valorem tax revenues disbursed to
7 public school districts by counties.

8
9 6-20-2707. Student outcome incentives.

10 (a)(1) Subject to appropriation, the Division of Elementary and
11 Secondary Education shall allocate student-generated outcome incentive
12 dollars to a public school based on the achievement of membership in the
13 public school.

14 (2) The following categories students shall each generate
15 outcome incentive dollars at two (2) times the rate of students who do not
16 qualify under this subdivision (a)(2):

17 (A) Economically disadvantaged students;

18 (B) Students identified by the State Board of Education as
19 not proficient in the English language based upon approved English language
20 proficiency assessment instruments administered annually in the fall of the
21 current school year, including oral, reading, and writing proficiency
22 assessments; and

23 (C) Students evaluated in accordance with the Individuals
24 with Disabilities Education Act, 20 U.S.C. § 1400 et seq., as it existed on
25 January 1, 2023, as having intellectual disabilities, hearing impairments,
26 visual impairments, emotional disturbances, orthopedic impairments, autism,
27 traumatic brain injuries, specific learning disabilities, deaf-blindness,
28 other health impairments, or multiple disabilities and who, by reason
29 thereof, need special education and related services.

30 (b)(1) A public school may receive student-generated outcome incentive
31 dollars if the membership of the public schools achieve the outcome goals
32 established by the division.

33 (2)(A) Before the division promulgates rules establishing
34 outcome goals under subdivision (b)(1) of this section, the division shall
35 submit the proposed outcome goals to the state board, which shall issue a
36 positive, neutral, or negative recommendation for the proposed outcome goals.

1 (B) The state board's recommendation for the proposed
2 outcome goals submitted by the division shall be included in the division's
3 filing of the rule with the Rules Committee of the Senate and the Rules
4 Committee of the House of Representatives in conformance with § 10-3-309.

5 (c) The division shall allocate available appropriations for student-
6 generated outcome incentive dollars to public schools in direct proportion to
7 the number of outcome incentive dollars generated by the membership of each
8 public school, relative to the total number of outcome incentive dollars
9 generated by all Arkansas public school students.

10 (d) Funds allocated under subsections (a)-(c) of this section shall be
11 based on the data collected for a public school during the immediately
12 preceding school year.

13 (e) Funds allocated under this section that remain unexpended at the
14 end of a fiscal year shall not revert to the general fund, but shall be used
15 to supplement future allocations of student-generated outcome incentive
16 dollars under this section.

17 (f)(1) The Commissioner of Elementary and Secondary Education shall
18 convene a group of individuals with relevant experience or expertise to
19 advise him or her regarding outcome incentive dollars and outcome goals.

20 (2) The group required under subdivision (f)(1) of this section
21 shall include:

22 (A)(i) Three (3) superintendents or directors of public
23 schools, as applicable.

24 (ii) One (1) individual selected under subdivision
25 (f)(2)(A)(i) of this section shall be from a public school located in:

26 (a) An urban area in this state;

27 (b) A suburban area in this state; and

28 (c) A rural area in this state;

29 (B) One (1) existing educator;

30 (C) The:

31 (i) Chair of the House Committee on Education; and

32 (ii) Chair of the Senate Committee on Education;

33 (D) The Chair of the State Board of Education;

34 (E) One (1) parent of a student enrolled in an Arkansas
35 public school;

36 (F) One (1) individual who is a bona fide resident of the

1 State of Arkansas;

2 (G) One (1) private business leader in this state; and

3 (H) One (1) member of a public school district board of
4 directors from a public school district in this state.

5
6 6-20-2708. Additional funding – Professional development.

7 (a) For each school year, additional funding
8 provided for public school district professional development shall be used by
9 the Division of Elementary and Secondary Education for the development and
10 administration of professional learning communities for the benefit of public
11 school districts.

12 (b)(1) The division shall promulgate rules to administer the
13 additional public school district professional development funding under
14 subsection (a) of this section.

15 (2) The division may partner with or choose a person, firm,
16 corporation, or education service cooperative to provide the knowledge,
17 skills, experience, and expertise for the development of a research-based
18 process for the implementation of professional learning communities.

19
20 6-20-2709. Secondary vocational area center funding.

21 (a) For each school year, secondary vocational area center funding
22 shall be established by a tiered funding structure for purposes of
23 distribution for each full-time equivalent student, as defined by the
24 Division of Career and Technical Education.

25 (b) The secondary vocational area center funding under this section
26 shall be determined by the division, in consultation with the Office of
27 Skills Development and as approved by the State Board of Education.

28 (c) The division shall promulgate rules for:

29 (1) A tiered system of determining the amount of secondary
30 vocational area center funding under this section; and

31 (2) The method of distribution of the secondary vocational area
32 center funding under this section.

33
34 6-20-2710. Distribution of funds.

35 (a) The Commissioner of Elementary and Secondary Education and each
36 local government shall distributed allocated education funding periodically

1 throughout the school year according to a schedule established by the
2 Division of Elementary and Secondary Education, subject to any applicable
3 restrictions under law.

4 (b)(1) If, during the first year of the implementation of this
5 subchapter, a public school's allocated funds under this subchapter total
6 less than the public school's baseline funding amount, then the division
7 shall allocate additional funds to the public school in an amount equal to
8 ninety percent (90%) of the difference between the public school's baseline
9 funding amount and the public school's allocated funding amount under this
10 subchapter.

11 (2) If a public school qualifies for additional funds under
12 subdivision (b)(1) of this section and the public school's allocated funds
13 under this subchapter during the second year of the implementation of this
14 subchapter total less than the public school's baseline funding amount, then
15 the division shall allocate additional funds to the public school in an
16 amount equal to seventy-five percent (75%) of the difference between the
17 public school's baseline funding amount and the public school's allocated
18 funding amount under this subchapter.

19 (3) If a public school qualifies for additional funds under
20 subdivisions (b)(1) and (2) of this section and the public school's allocated
21 funds under this subchapter during the third year of the implementation of
22 this subchapter total less than the public school's baseline funding amount,
23 then the division shall allocate additional funds to the public school in an
24 amount equal to fifty percent (50%) of the difference between the public
25 school's baseline funding amount and the public school's allocated funding
26 amount under this subchapter.

27 (4) If a public school qualifies for additional funds under
28 subdivisions (b)(1)-(3) of this section and the public school's allocated
29 funds under this subchapter during the fourth year of the implementation of
30 this subchapter total less than the public school's baseline funding amount,
31 then the division shall allocate additional funds to the public school in an
32 amount equal to twenty-five percent (25%) of the difference between the
33 public school's baseline funding amount and the public school's allocated
34 funding amount under this subchapter.

35 (c)(1) A public school's allocated funding under this subchapter shall
36 not decrease more than five percent (5%) from one (1) school year to the next

1 school year.

2 (2)(A) If a public school's allocated funding under this
3 subchapter decreases by more than five percent (5%) from the public schools
4 allocated funding under this subchapter during the previous school year, then
5 the division shall allocate additional funds to the public school in an
6 amount such that the decrease in the public school's allocated funds for the
7 current school year is only five percent (5%).

8 (B) However, the division shall not allocate additional
9 funds to a public school under subdivision (c)(2)(A) of this section if the
10 division is required to allocate additional funds to the public school as
11 required under subsection (b) of this section.

12 (d) Before a full and complete settlement is made with a public
13 school, the public school shall file all required records and reports with
14 the division.

15 (e)(1) Except as provided under subdivision (e)(2) of this section,
16 monthly installments of funds allocated under this section shall be based on
17 the prior-year three-quarter average daily membership data until the current
18 year Cycle 3 data is available.

19 (2) Monthly installments of funds allocated under this section
20 for a newly opened open-enrollment public charter school shall be based on an
21 enrollment estimated provided to the division by the newly opened open-
22 enrollment public charter school by June 15 prior to the beginning of the
23 upcoming school year.

24 (3) Estimates for funds allocated under this section shall be
25 updated to reflect Cycle 3 data for purposes of making monthly installments
26 of funds allocated under this section.

27 (4)(A) Final allocations of funds allocated under this section
28 shall be updated to reflect Cycle 6 data.

29 (B) Any remaining monthly installments of funds allocated
30 under this section shall be updated based on the final funding allocations
31 determined under subdivision (e)(4)(A) of this section.

32
33 6-20-2711. State and local contributions – Determination of fiscal
34 capacity.

35 (a) It is the intent of the General Assembly to provide funding on a
36 fair and equitable basis by recognizing the differences in the ability of

1 local jurisdictions to raise local revenues.

2 (b) The Division of Elementary and Secondary Education shall provide:

3 (1)(A) The remainder of the total funds necessary for the
4 foundation allocation amount and weighted allocation generated by members of
5 public schools, after each local public school district's uniform rate of tax
6 and miscellaneous funds are applied.

7 (B) The division shall continue to fund any public school
8 up to ninety-eight percent (98%) of the uniform rate of tax if local tax
9 collections fall below ninety-eight percent (98%) of the uniform rate of tax;
10 and

11 (2) One hundred percent (100%) of:

12 (A) The total direct allocation amounts as determined by
13 the House Committee on Education and the Senate Committee on Education under
14 § 6-20-2706(c); and

15 (B) The total amount of student-generated outcome
16 incentive dollars as determined by the division under § 6-20-2707.

17 (c) The local share shall be paid with local government funds, which
18 shall include the amount generated from the uniform rate of ad valorem
19 property tax of twenty-five (25) mills as required under Arkansas
20 Constitution, Article 4, § 3, and any miscellaneous funds.

21 (d)(1) Each county's fiscal capacity shall be determined according to
22 the fiscal capacity calculation annually by or before May 1 of the
23 immediately preceding school year for which students generate the total
24 funding allocation.

25 (2) The annual fiscal capacity calculation required under
26 subdivision (d)(1) of this section, including the underlying data and the
27 determination for each county, shall be publicly reported.

28 (3) The fiscal capacity of a county for a given school year
29 shall not be revised after the county's fiscal capacity has been determined
30 for that school year.

31 (e) This section:

32 (1) Shall establish the minimum education funding that a local
33 government shall contribute; and

34 (2) Does not prohibit or otherwise limit a local government from
35 contributing more than the local contribution rate required under subsection
36 (c) of this section.

1
2 6-20-2712. Comprehensive investment in student achievement
3 professional development series – Requirements.

4 (a) The Division of Elementary and Secondary Education shall create or
5 procure, and make available at no cost to participants, a required
6 professional development series concerning this subchapter.

7 (b) The professional development series required by subsection (a) of
8 this section shall include without limitation:

9 (1) An in-depth explanation of this subchapter; and

10 (2) Instruction regarding how to:

11 (A) Budget to increase student achievement;

12 (B) Connect student achievement with investments in
13 education; and

14 (C) Hold decision makers accountable for funding
15 decisions.

16 (c) The division shall make the professional development series
17 required by subsection (a) of this section available to the following
18 individuals, upon their request:

19 (1) Directors and superintendents of public schools;

20 (2) Members of public school district boards of directors;

21 (3) Members of governing bodies of open-enrollment public
22 charter schools;

23 (4) Members and the chair of the State Board of Education;

24 (5) Members of the public charter authorizing panel established
25 within the division as required under § 6-23-701; and

26 (6) Employees of a public school, the division, or the state
27 board who are responsible for developing, reviewing, or otherwise assisting
28 the public school, the division, or the State Board of Education with its
29 annual education budget.

30 (d)(1) The division shall create or procure, and make available at no
31 cost to participants, a required professional development series for public
32 school employees that:

33 (A) Is tailored to the professional duties of various
34 types of public school employees; and

35 (B) Includes an overview of this subchapter and best
36 practices regarding how public school employees can maximize budget

1 investments to increase student achievement through the public school
2 employee's work.

3 (2) The professional development series required under
4 subdivision (d)(1) of this section shall be available no later than January
5 1, 2026.

6 (e)(1) A professional development series created or procured under
7 this section may be provided to participants virtually or in person at the
8 direction of the division.

9 (2) The division shall make all instructional materials used as
10 part of a professional development series created or procured under this
11 section publicly available on the website of the division.

12 (f) The division shall procure any goods or services selected or
13 approved by the division to effectuate this section competitively and in
14 compliance with state laws and rules regarding the procurement of goods and
15 services by state agencies, including the Arkansas Procurement Law, § 19-11-
16 201 et seq.

17
18 6-20-2713. Accountability requirements.

19 (a) Each public school shall produce an accountability report that:

20 (1) Establishes:

21 (A) Goals for student achievement, including the goal of
22 seventy percent (70%) of the public school's students in grade three (3)
23 taking a comprehensive assessment program achieving a performance level in
24 the top two (2) levels of the comprehensive assessment program in the current
25 school year; and

26 (B) How the established goals can be met within the public
27 school's budget; and

28 (2)(A) Describes how the public school's budget and expenditures
29 for previous school years enabled the public school to make progress toward
30 the student achievement goals established by the public school for the
31 previous school years.

32 (B) However, subdivision (a)(2)(A) of this section shall
33 not apply for the accountability report required under this subsection (a)
34 submitted by a public school during the first year following the
35 implementation of this subchapter.

36 (b)(1) The accountability report required under subsection (a) of this

1 section shall be presented to the public for comment before the
2 accountability report is submitted to the Division of Elementary and
3 Secondary Education.

4 (2) The accountability report required under subsection (a) of
5 this section shall be submitted to the division by November 1, 2026 and each
6 November 1 thereafter.

7 (c) Beginning with the 2026-2027 school year:

8 (1)(A) A public school within a public school district or a
9 public school district that receives a "D" or "F" letter grade under § 6-15-
10 2101 et seq. or an open-enrollment public charter school that has a less-
11 than-satisfactory evaluation under § 6-23-404 may be required to appear for a
12 hearing before the State Board of Education, or a committee of the state
13 board appointed by the Chair of the State Board of Education, to report on:

14 (i) The performance of the public school within a
15 public school district, public school district, or open-enrollment public
16 charter school; and

17 (ii) How the spending decisions of the public school
18 within a public school district, public school district, or open-enrollment
19 public charter school may have affected the ability of the public school
20 within a public school district, public school district, or open-enrollment
21 public charter school to achieve student achievement goals and performance
22 goals.

23 (B) At the conclusion of a hearing under subdivision
24 (c)(1)(A) of this section, the state board may recommend that the division
25 impose one (1) of the corrective actions identified under subdivision (c)(2)
26 of this section; and

27 (2) The division may impose one (1) of the following corrective
28 actions for a public school within a public school district or a public
29 school district that receives a "D" or "F" letter grade under § 6-15-2101 et
30 seq. or an open-enrollment public charter school that has a less-than-
31 satisfactory evaluation under § 6-23-404:

32 (A)(i) Require the public school within a public school
33 district, public school district, or open-enrollment public charter school to
34 submit to the division for approval and implement a corrective action plan
35 that is consistent with a corrective action plan template developed by the
36 division.

1 (ii) The division shall report on the implementation
2 of a corrective action plan as required under subdivision (c)(2)(A)(i) of
3 this section to the state board; or

4 (B) Implement a required:

5 (i) Audit and investigation of the academic
6 programming and spending of the public school within a public school
7 district, public school district, or open-enrollment public charter school;
8 and

9 (ii) Report regarding the outcomes of the audit and
10 investigation conducted under subdivision (c)(2)(B)(i) of this section, which
11 shall be submitted to the state board.

12 (d) The division shall:

13 (1) Provide information requested by the state board by the date
14 specified by the state board in order to assist with the making of
15 determinations necessary to implement this section; and

16 (2) Apportion the costs of implementing a corrective action plan
17 imposed under subdivision (c)(2)(A) of this section between the division and
18 the public school within a public school district, public school district, or
19 open-enrollment public charter school on a case-by-case basis, subject to the
20 approval of the state board.

21
22 6-20-2714. Funding – Adjustments for overpayments.

23 (a) If the Division of Elementary and Secondary Education determines
24 that an overpayment has been made to a public school under any appropriation
25 authorized by this subchapter, the division may:

26 (1) Withhold the overpayment from subsequent state funding;

27 (2) Transfer the amount withheld for the overpayment to the line
28 item appropriation from which the overpayment was initially made; or

29 (3) Request a refund from the public school in the amount of the
30 overpayment.

31 (b) The public school shall comply as directed by the division.

32
33 6-20-2715. Property tax report.

34 To provide relevant information that impacts the funding of public
35 education to the General Assembly, upon approval of the Legislative Joint
36 Auditing Committee, Arkansas Legislative Audit shall prepare a report

1 regarding the assessment and collection of property taxes.

2
3 6-20-2716. Calculation of miscellaneous funds.

4 (a) For the purpose of making an initial calculation of a foundation
5 funding amount and weighted funding amount, the Division of Elementary and
6 Secondary Education shall calculate the miscellaneous funds of a public
7 school district as the aggregate amount of miscellaneous funds a public
8 school district received in the calendar year immediately preceding the
9 beginning of the current school fiscal year multiplied by the ratio of the
10 uniform rate of tax to the public school district's total millage rate in
11 effect as of January 1 of the calendar year in which the public school
12 district received the miscellaneous funds.

13 (b)(1) Except as provided under subdivision (b)(2) of this section,
14 for a public school district that receives foundation funding amounts and
15 weighted funding amounts and receives an aggregate amount of miscellaneous
16 funds during the calendar year in which the current school fiscal year began
17 that is less than the aggregate amount of miscellaneous funds the public
18 school district received in the calendar year immediately preceding the
19 beginning of the current school fiscal year, by the end of the school fiscal
20 year, the division shall distribute to the public school district an amount
21 equal to the difference between:

22 (A) The amount of miscellaneous funds calculated for the
23 calendar year in which the current school fiscal year began; and

24 (B) The amount of miscellaneous funds calculated for the
25 calendar year immediately preceding the beginning of the current school
26 fiscal year.

27 (2) The sum of the following amounts shall not exceed the
28 foundation funding amount and weighted funding amount under § 6-20-2706:

29 (A) Foundation funding aid and weighted funding aid for
30 the current school fiscal year;

31 (B) The school district's miscellaneous funds calculated
32 for the calendar year in which the school fiscal year began;

33 (C) Ninety-eight percent (98%) of the uniform rate of tax
34 multiplied by the property assessment of the school district;

35 (D) A distribution under subdivision (b)(1) of this
36 section; and

1 (E) A distribution under § 6-20-2710(b)(1).

2 (c)(1) The division shall recoup an overpayment of state funding under
3 the authority provided by § 6-20-2712 for a public school district that
4 receives:

5 (A) Foundation funding amounts and weighted funding
6 amounts; and

7 (B) An aggregate amount of miscellaneous funds for the
8 calendar year in which the current school fiscal year began that is greater
9 than the aggregate amount of miscellaneous funds the public school district
10 received in the calendar year immediately preceding the beginning of the
11 current school fiscal year.

12 (2) The division shall recoup from a public school district an
13 amount equal to the difference between:

14 (A) The amount of miscellaneous funds calculated for the
15 calendar year in which the current school fiscal year began; and

16 (B) The amount of miscellaneous funds calculated for the
17 calendar year immediately preceding the beginning of the current school
18 fiscal year.

19 (3) A recoupment from a public school district under subdivision
20 (c)(2) of this section shall not exceed the amount of *foundation funding and*
21 *weighted funding* distributed to the public school district for the school
22 fiscal year on which the recoupment is based.

23
24 6-20-2717. Biennial adequacy study – Additional duties.

25 (a) During each biennial adequacy review process, the House Committee
26 on Education and the Senate Committee on Education shall, in addition to
27 required duties under § 10-3-2101 et seq.:

28 (1) Regularly review the:

29 (A) Foundation funding amount as determined under § 6-20-
30 2706;

31 (B) Weighted allocation amount as determined under § 6-20-
32 2706;

33 (C) Direct allocation amounts as determined under § 6-20-
34 2706; and

35 (D) Student outcome incentive amounts as determined under
36 § 6-20-2707; and

1 (2) Identify any needed revisions, additions, or deletions to
2 the funding amounts and requirements under this subchapter.

3 (b)(1) The House Committee on Education and the Senate Committee on
4 Education, meeting jointly during a biennial adequacy review process, shall
5 prepare a report annually on or before November 1 and provide the report to
6 the:

7 (A) Governor; and

8 (B) State Board of Education.

9 (2) The report required under subdivision (b)(1) of this section
10 shall include without limitation:

11 (A) Recommendations on any necessary revisions, additions,
12 or deletions to the funding amounts and requirements under this subchapter;
13 and

14 (B) An analysis of instructional salary disparity among
15 public schools, including without limitation an analysis of disparity in
16 benefits and other compensation among public schools.

17
18 6-20-2718. Progress Review Board.

19 (a) Beginning on July 1, 2026, there is created a Progress Review
20 Board, which shall consist of:

21 (1) The Secretary of the Department of Education;

22 (2) The Commissioner of Elementary and Secondary Education, if
23 the commissioner is an individual other than the Secretary of the Department
24 of Education;

25 (3) The Chair of the State Board of Education;

26 (4) Two (2) members of the Senate appointed by the President Pro
27 Tempore of the Senate; and

28 (5) Two (2) members of the House of Representatives appointed by
29 the Speaker of the House of Representatives.

30 (b)(1) Each member of the Progress Review Board shall serve a term of
31 two (2) years.

32 (2) If a member fails to meet the qualifications by which the
33 member was initially appointed during the member's term, then the member's
34 position on the Progress Review Board shall be vacated.

35 (c) The Progress Review Board shall:

36 (1)(A) Establish a public school's minimum goal to increase the

1 public school's third grade student performance rating on the comprehensive
2 student assessment program to seventy percent (70%) of students in grade
3 three (3) achieving the top two (2) levels of the comprehensive student
4 assessment program, beginning with the results from the 2023-2024
5 comprehensive student assessment program cycle.

6 (B)(i) Subdivision (c)(1)(A) of this section shall not
7 apply to a public school in which seventy percent (70%) or more of the public
8 school's third-grade students have achieved the top two (2) levels of the
9 comprehensive student assessment program in the most recent school year.

10 (ii) The Progress Review Board shall notify a public
11 school that is exempt under subdivision (c)(1)(B)(i) of this section.

12 (C)(i) If a public school fails to meet the goal
13 established for the public school under subdivision (c)(1)(A) of this section
14 within three (3) years, then the Progress Review Board shall determine if
15 further action is necessary based on whether the public school is taking the
16 proper steps to achieve the established goal.

17 (ii)(a) If the Progress Review Board determines
18 further action is necessary under subdivision (c)(1)(C)(i) of this section,
19 then the progress review board shall recommend that the Secretary of the
20 Department of Education require the appropriate designated employees of the
21 public school to complete training, in addition to the required training for
22 members of public school district boards of directors under § 6-13-629,
23 regarding how to budget to increase student achievement based on the goal
24 established for the public school under subdivision (c)(1)(A) of this
25 section.

26 (b) If the Progress Review Board makes a
27 recommendation under subdivision (c)(1)(C)(ii)(a) of this section, then the
28 Secretary of the Department of Education may require the appropriate
29 designated employees of the public school to complete training in addition to
30 the required training for members of public school district boards of
31 directors under § 6-13-629; and

32 (2) Annually review each accountability report submitted under §
33 6-20-2712 to determine if a public school is taking the proper steps to
34 achieve the goal established for the public school under subdivision
35 (c)(1)(A) of this section.

36

1 6-20-2719. Rules.

2 (a) The Division of Elementary and Secondary Education shall
3 promulgate rules necessary to implement this subchapter.

4 (b)(1) When adopting the initial rules to implement this subchapter,
5 the final rules shall be filed with the Secretary of State for adoption under
6 § 25-15-204(f):

7 (A) On or before January 1, 2024; or

8 (B) If approval under § 10-3-309 has not occurred by
9 January 1, 2024, as soon as practicable after approval under § 10-3-309.

10 (2) The division shall file the proposed rules with the
11 Legislative Council under § 10-3-309(c) sufficiently in advance of January 1,
12 2024, so that the Legislative Council may consider the rule for approval
13 before January 1, 2024.

14 (c) The division and State Board of Education shall provide access to
15 relevant legislation of the General Assembly concerning public school funding
16 by the following methods:

17 (1) Including a link to the relevant legislation on the
18 division's website; and

19 (2) Requiring the superintendent of each public school district
20 in the state to provide each member of the public school district's board of
21 directors with:

22 (A) The website address where the member can access the
23 relevant legislation; or

24 (B) Upon request, a printed copy of the relevant
25 legislation.

26
27 SECTION 10. DO NOT CODIFY. Effective date. This act shall be
28 effective on and after July 1, 2025.

29
30 /s/Cozart
31
32
33
34
35
36