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

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

HOUSE BILL 1361

By: Representative A. Davis
By: Senator Hester

For An Act To Be Entitled

AN ACT TO CREATE THE TRANSFORMATION AND EFFICIENCIES ACT OF 2019; TO ESTABLISH THE CABINET-LEVEL DEPARTMENTS; TO ESTABLISH THE CABINET-LEVEL DEPARTMENT OF EDUCATION; TO TRANSFER STATE ENTITIES; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE TRANSFORMATION AND EFFICIENCIES ACT OF 2019; TO ESTABLISH THE CABINET-LEVEL DEPARTMENTS; TO ESTABLISH THE CABINET-LEVEL DEPARTMENT OF EDUCATION; TO TRANSFER STATE ENTITIES; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code Title 25, Chapter 43, is amended to add an additional subchapter to read as follows:

Subchapter 5 — Department of Education

25-43-501. Department of Education.

There is created the Department of Education as a cabinet-level department.

25-43-502. State entities transferred to Department of Education.

(a) The administrative functions of the following state entities are

transferred to the Department of Education pursuant to a cabinet-level department transfer:

(1) The Arkansas Better Chance Program, created under § 6-45-105;

(2) The Arkansas Higher Education Coordinating Board, created under § 6-61-201;

(3) The Arkansas School for the Blind, described in § 6-43-201 et. seq.;

(4) The Arkansas School for the Deaf, created under § 6-43-301;

(5) The Arkansas State Library, created under § 13-2-203;

(6) The Board of Trustees for the Arkansas School for the Blind and Arkansas School for the Deaf, created under § 6-43-101;

(7) The Department of Career Education, created under § 25-30-106;

(8) The Department of Education, created under § 25-6-102;

(9) The Department of Higher Education, created under § 25-7-101;

(10) The Division of Learning Services, created under § 6-11-131;

(11) The Division of Public School Academic Facilities and Transportation, created under § 6-21-112;

(12) The Division of Public School Accountability, created under § 6-15-102;

(13) The Martin Luther King, Jr. Commission, created under § 25-24-101;

(14) The State Board of Education, created under § 6-11-101; and

(15) The State Library Board, created under § 13-2-205.

(b) Each entity transferred shall retain its specified statutory duties.

25-43-503. Secretary of the Department of Education.

(a) The Secretary of the Department of Education is the executive head of the Department of Education.

(b) The secretary shall be appointed by the Governor, subject to confirmation by the Senate, and shall serve at the pleasure of the Governor.

(c) The secretary may:

(1) Delegate to the employees of the department, or any state entity transferred to the department under § 25-43-502, any of the powers or duties of the department required to administer the department;

(2) Hire department personnel;

(3) Perform or assign duties assigned to the department; and

(4) Serve as the director, or the administrative or executive head of any state entity under the administrative control of the department if the secretary meets all statutory requirements for the position.

25-43-504. AmeriCorps Office.

(a) There is created within the Division of Higher Education of the Department of Education an AmeriCorps Office.

(b) The AmeriCorps Office shall perform those duties as delegated by the Secretary of the Department of Education.

25-43-505. Northwest Technical Institute.

(a) The Northwest Technical Institute shall be a part of the Division of Higher Education.

(b) The Northwest Technical Institute is an educational facility and shall perform those duties as delegated by the Secretary of the Department of Education.

SECTION 2. Arkansas Code § 1-4-114(b)(1)(A), concerning the Poet Laureate of the State of Arkansas, is amended to read as follows:

(A) Two (2) principal heads of English departments of state-supported universities or colleges who are selected by the Director of the ~~Department~~ Division of Higher Education; and

SECTION 3. Arkansas Code § 2-36-101(a), concerning the grading of fairs, is amended to read as follows:

(a) The Arkansas Livestock and Poultry Commission may formulate necessary and appropriate rules and regulations for the grading of fairs on a point system in cooperation with an ad hoc advisory committee formed of representatives of agriculture consisting of representatives from the United States Department of Agriculture, the University of Arkansas Cooperative Extension Service, the Office of Agricultural Science and Technology of the

~~Department~~ Division of Career and Technical Education, and the Arkansas Fair Managers Association, which shall make recommendations as to criteria for the allotment of grade points to the commission.

SECTION 4. Arkansas Code § 3-7-201(e), concerning the special alcoholic beverage excise tax, is amended to read as follows:

(e) The State Board of Education and the ~~Department of~~ Division of Elementary and Secondary Education shall fully budget, fund, and expend or commit to expend the general revenue replacing the revenue derived from the previously imposed special alcoholic beverage excise tax on beer in addition to any other funding provided by law for essential programs such as subsidized child care for low-income families, the Arkansas Better Chance Program, and the Child Care and Early Childhood Education Fund Account in an amount equal to the appropriation level for the Arkansas Better Chance Program.

SECTION 5. Arkansas Code § 5-4-903(b)(1), concerning authorization for establishment of pre-adjudication probation programs, is amended to read as follows:

(b)(1) A pre-adjudication probation program may incorporate services from various state agencies and educational institutions, including without limitation the ~~Department~~ Division of Community Correction, the Department of Human Services, the Adult Education Section ~~of the Department of Career Education~~ of the Division of Workforce Services, vocational schools, technical schools, community colleges, and two-year and four-year public universities.

SECTION 6. Arkansas Code § 5-4-913 is amended to read as follows:

5-4-913. Education screening.

A person eligible to enter a pre-adjudication program under this subchapter shall have his or her education level assessed by the court by completing a reading, literacy, and math assessment by the ~~Department of Career Education~~ Adult Education Section.

SECTION 7. Arkansas Code § 6-1-105, is amended to read as follows:

6-1-105. Information sharing with the Assessment Coordination

~~Department~~ Division.

(a)(1) The State Board of Education, the ~~Department of Education~~ Division of Elementary and Secondary Education, and any other Department or division administered by the state board shall provide information maintained by the state board, the ~~Department of Education~~ Division of Elementary and Secondary Education, or any other Department or division to the Assessment Coordination ~~Department~~ Division upon request by the Assessment Coordination ~~Department~~ Division.

(2) The information shall enable the Assessment Coordination ~~Department~~ Division to:

(A) Verify, ascertain, or calculate assessed values of real and personal property, millage rates, or tax collection rates in school districts and counties; and

(B) Assist the General Assembly, the Attorney General, or another state agency in verifying, ascertaining, or calculating data related to public schools, including school funding, school district revenues, and public school facilities.

(b) Information provided under this section shall be in any medium in which the record is readily available or in any format to which it is readily convertible with the existing software used by the state board, the ~~Department of Education~~ Division of Elementary and Secondary Education, or any other department or division.

(c) Actual costs or expenses incurred in compiling or transmitting the data to the Assessment Coordination ~~Department~~ Division shall be paid by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 8. Arkansas Code § 6-1-403 is amended to read as follows:

6-1-403. Purpose.

The purpose of the School Leadership Coordinating Council is to:

(1) Serve as a central body to coordinate the leadership development system efforts across the state including:

(A) Encouraging school districts to work with the ~~Department of Education~~ Division of Elementary and Secondary Education, the ~~Department~~ Division of Higher Education, the ~~Department~~ Division of Career and Technical Education, ~~the Arkansas Leadership Academy School Support Program,~~ and other leadership groups;

(B) Recommending a state leadership development system to coordinate all aspects of leadership development based on educational leadership standards adopted by the ~~Department of Education~~ Division of Elementary and Secondary Education; and

(C) Devising a system of gathering data that includes input from practitioners, educational and community leaders, university leadership and faculty, and other interested parties;

(2) Assist the ~~Department of Education~~ Division of Elementary and Secondary Education, the ~~Department~~ Division of Higher Education, the ~~Department~~ Division of Career and Technical Education, ~~the Arkansas Leadership Academy School Support Program,~~ school districts, and other leadership groups in enhancing school leadership and school support efforts; and

(3) Aid in the development of model evaluation tools for use in the evaluation of school administrators.

SECTION 9. Arkansas Code § 6-1-404(a)(2), concerning the creation of the School Leadership Coordinating Council, is amended to read as follows:

(2) The Commissioner of Elementary and Secondary Education;

SECTION 10. Arkansas Code § 6-1-404(a)(4) and (5), concerning the creation of the School Leadership Coordinating Council, is amended to read as follows:

(4) The Director of the ~~Department~~ Division of Higher Education;

(5) The Director of the ~~Department~~ Division of Career and Technical Education;

SECTION 11. Arkansas Code § 6-1-404(e), concerning the creation of the School Leadership Coordinating Council, is amended to read as follows:

(e) The ~~Department of Education~~ Division of Elementary and Secondary Education, with the assistance of the ~~Department~~ Division of Higher Education and the ~~Department~~ Division of Career and Technical Education, shall staff the council.

SECTION 12. Arkansas Code § 6-1-404(f)(1), concerning the creation of the School Leadership Coordinating Council, is amended to read as follows:

(f)(1) All nonlegislative members of the council may receive expense reimbursement in accordance with § 25-16-902 paid by the ~~Department of Education~~ Division of Elementary and Secondary Education if funds are available.

SECTION 13. Arkansas Code § 6-1-603(a), concerning the administration of the College and Career and Technical Coaches Program, is amended to read as follows:

(a) The ~~Department~~ Division of Career and Technical Education, in partnership with the ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education, shall develop and administer the College and Career Coaches Program.

SECTION 14. The introductory language of Arkansas Code § 6-1-603(b), concerning the administration of the College and Career Coaches Program, is amended to read as follows:

(b) The ~~Department~~ Division of Career and Technical Education shall manage the College and Career Coaches Program and:

SECTION 15. Arkansas Code § 6-1-604(c)(1)(B), concerning the duties and supervision of the Colleges and Career Coaches Program, is amended to read as follows:

(B) Be a liaison between the institution of higher education, education service cooperative, or nonprofit organization and the ~~Department~~ Division of Career and Technical Education.

SECTION 16. Arkansas Code § 6-1-604(c)(2), concerning the duties and supervision of the Colleges and Career Coaches Program, is amended to read as follows:

(2) The ~~Department~~ division and the on-site supervisor shall evaluate the performance of each college and career coach.

SECTION 17. Arkansas Code § 6-1-605(a)(2), concerning the program effectiveness and measurement of the College and Career Coaches Program, is amended to read as follows:

(2)(A) The ~~Department of Education~~ Division of Elementary and

Secondary Education and the ~~Department~~ Division of Higher Education shall collect and prepare performance data reports to determine the effectiveness of the program.

(B) The data shall be collected for each county and school district served by the program and shall be shared with the ~~Department~~ Division of Career and Technical Education on January 1 and August 1 each year.

SECTION 18. Arkansas Code § 6-1-605(b), concerning the program effectiveness and measurement of the College and Career Coaches Program, is amended to read as follows:

(b) Annually, each college and career coach shall submit a report to the ~~Department~~ Division of Career and Technical Education describing his or her student contacts and the programs and services provided.

SECTION 19. Arkansas Code § 6-3-111 is amended to read as follows:

6-3-111. Budget requests.

The Director of the Educational Television Division of the ~~Department of Education~~ Division of Elementary and Secondary Education shall submit budget requests of the ~~division~~ Educational Television Division to the State Board of Education and the Commissioner of Elementary and Secondary Education for their review and approval before the budget submissions are forwarded to the Governor and the Legislative Council.

SECTION 20. Arkansas Code § 6-4-104(b), concerning the designation of the Arkansas Higher Education Coordinating Board as the agent for out-of-state education, is amended to read as follows:

(b) The ~~Department~~ Division of Higher Education is hereby authorized to administer the program.

SECTION 21. Arkansas Code § 6-4-106 is amended to read as follows:

6-4-106. Application by students.

(a) Students seeking the subsidy to be paid for their benefit shall apply to the ~~Department~~ Division of Higher Education, giving necessary information.

(b) If the applicant is found to be a bona fide resident of Arkansas

and if funds for this purpose are available, the ~~department~~ division shall, without more, certify the applicant as qualified to participate under this program.

SECTION 22. Arkansas Code § 6-5-307(b), concerning classroom teacher salary requirements, is amended to read as follows:

(b) Educational Excellence Trust Fund funds allocated for teacher salaries shall be disbursed by the ~~Department of Education~~ Division of Elementary and Secondary Education to school districts pursuant to the state foundation funding formula under § 6-20-2305.

SECTION 23. Arkansas Code § 6-5-403(d), concerning the scope of the Arkansas Higher Education Coordinating Board, is amended to read as follows:

(d)(1) The board, working in conjunction with state-supported institutions of higher education, private institutions of higher education that wish to participate, the ~~Department of Education~~ Division of Elementary and Secondary Education, and the ~~Department~~ Division of Career and Technical Education annually shall compile information for Arkansas high school students on:

(A) Academic scholarships for freshmen entering institutions of higher education in the state; and

(B) State-funded programs that provide opportunities for developing technical job skills and apprenticeships.

(2)(A) The ~~Department of Education~~ Division of Elementary and Secondary Education shall provide the information annually to all public high school counselors in the state.

(B) Each public high school counselor annually shall provide the information received from the ~~Department of Education~~ Division of Elementary and Secondary Education to students in the public high school where he or she is employed.

SECTION 24. The introductory language of Arkansas Code § 6-5-404(a), concerning cooperation with the Arkansas Higher Education Coordinating Board by the State Board of Education, the Department of Education, and the public schools of Arkansas, is amended to read as follows:

(a) The State Board of Education, the ~~Department of Education~~ Division

of Elementary and Secondary Education, and the public schools of Arkansas shall:

SECTION 25. Arkansas Code § 6-5-404(a)(1), concerning cooperation with the Arkansas Higher Education Coordinating Board by the State Board of Education, the Department of Education, and the public schools of Arkansas, is amended to read as follows:

(1) Cooperate with the Arkansas Higher Education Coordinating Board, the ~~Department~~ Division of Higher Education, and the institutions of higher education in providing the information; and

SECTION 26. Arkansas Code § 6-5-803(a), concerning the creation of the Arkansas Academic Physician Program, is amended to read as follows:

(a) There is created within the ~~Department~~ Division of Higher Education the Arkansas Academic Physician Program.

SECTION 27. Arkansas Code § 6-5-804(a), concerning the Health Care Student Summer Enrichment Program for Underrepresented Student Populations, is amended to read as follows:

(a) There is created within the ~~Department~~ Division of Higher Education the Health Care Student Summer Enrichment Program for Underrepresented Student Populations.

SECTION 28. Arkansas Code § 6-5-902(3), concerning the definition of "program" under the Positive Youth Development Grant Program, is amended to read as follows:

(3) "Program" means a positive youth development program that is license-exempt or approved by the ~~Department of Education~~ Division of Elementary and Secondary Education as complying with the Out-of-School Time Licensing Standards as adopted by the Division of Child Care and Early Childhood Education of the Department of Human Services.

SECTION 29. Arkansas Code § 6-5-903(a), concerning the establishment and participation of the Positive Youth Development Grant Program, is amended to read as follows:

(a)(1) The ~~Department of Education~~ Division of Elementary and

Secondary Education shall establish the Positive Youth Development Grant Program to assist in the establishment and funding of positive youth development programs for children and youth five through nineteen (5-19) years of age once funding is available.

(2) The ~~department~~ Division of Elementary and Secondary Education, with the advice and assistance of the Division of Child Care and Early Childhood Education, shall develop rules necessary for the implementation of this subchapter.

SECTION 30. Arkansas Code § 6-5-904(b)-(e), concerning the application process and allocation of funding for a licensed youth development program, is amended to read as follows:

(b) Each applicant for a positive youth development grant shall:

(1) Complete and submit the appropriate application developed by the ~~Department of Education~~ Division of Elementary and Secondary Education in collaboration with the Division of Child Care and Early Childhood Education;

(2) Submit documentation of strong community engagement and collaboration between schools, public institutions, private agencies, business, and faith-based and other community-based organizations working together to utilize the unique skills and resources to create a community learning environment; and

(3)(A) Provide matching funds in the ratio of twenty to eighty (20:80), unless the applicant is granted a waiver by the ~~division~~ Division of Child Care and Early Childhood Education.

(B) The ~~division~~ Division of Child Care and Early Childhood Education may waive the required matching funds if:

(i) The applicant operates or will operate the program within the geographic boundaries of a public school district that contains at least one (1) school identified as targeted or comprehensive by the ~~Department of Education~~ Division of Elementary and Secondary Education; and

(ii) The ~~division~~ Division of Child Care and Early Childhood Education determines that the applicant is unable to provide the matching funds, after exhausting all potential funding sources.

(C) The matching funds may consist of cash or appropriate in-kind services.

(c) Preference shall be given to applications that:

(1) Are developed collaboratively by public and nonpublic schools and private community based programs;

(2) Contain accountability systems and measurable outcomes under guidelines developed by the ~~Department~~ Division of Elementary and Secondary Education in consultation with the ~~division~~ Division of Child Care and Early Childhood Education;

(3) Detail funds received from all public sources for existing programs, the types of existing programs, and the types of students served by existing programs; and

(4) Increase comprehensive positive youth development programs during the school year and summer.

(d)(1) If the number of qualified applicants exceed the amount of available funding, the ~~Department~~ Division of Elementary and Secondary Education, after consultation with the Arkansas Early Childhood Commission, shall determine funding distribution.

(2) If there is a funding shortage, priority consideration shall be given to programs in communities where:

(A) A public school district has fifty percent (50%) or more students eligible for free and reduced lunches; and

(B) A public school district has been identified to receive Level 5 — Intensive support from the ~~department~~ Division of Elementary and Secondary Education.

(e)(1) Grants shall be three-year awards to be distributed annually, as determined by the ~~division~~ Division of Child Care and Early Childhood Education.

(2) Grants may be renewable for positive youth development programs that meet adequate performance levels as developed by the ~~department~~ Division of Elementary and Secondary Education.

(3) Grants are subject to the availability of funds each fiscal year.

SECTION 31. Arkansas Code § 6-5-904(f)(4)(A), concerning the application process and allocation of funding for a licensed youth development program, is amended to read as follows:

(A) Academic supports and skill-building activities that

link program content to the frameworks promulgated by the ~~department~~ Division of Elementary and Secondary Education;

SECTION 32. Arkansas Code § 6-5-905(b)-(d), concerning the criteria for need-based funding to attend a positive youth development program, are amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education and the Division of Child Care and Early Childhood Education may develop a fee schedule and establish eligibility based on family income for children and youth five through nineteen (5-19) years of age who are not eligible under subsection (a) of this section.

(c) The ~~department~~ Division of Elementary and Secondary Education and the ~~division~~ Division of Child Care and Early Childhood Education shall review criteria for identifying and targeting the areas of the state with the greatest need for programs.

(d) The State Board of Education, with the advice and assistance of the ~~division~~ Division of Child Care and Early Childhood Education, shall adopt the appropriate criteria for identifying children and youth five through nineteen (5-19) years of age with the greatest need to participate in programs funded by the grant.

SECTION 33. Arkansas Code § 6-5-1003(a)(1), concerning college and career readiness standards, is amended to read as follows:

(a)(1) The ~~Department~~ Division of Career and Technical Education shall work in collaboration with the ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education to develop college and career readiness standards for career and technical education courses.

SECTION 34. Arkansas Code § 6-5-1003(b)(6)(B), concerning college and career readiness standards, is amended to read as follows:

(B) The ~~Department~~ Division of Career and Technical Education, in collaboration with the ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education, shall establish a common course numbering system that incorporates career and technical education courses at both the secondary and

postsecondary level;

SECTION 35. The introductory language of Arkansas Code § 6-5-1003(b)(8), concerning college and career readiness standards, is amended to read as follows:

(8) Comprehensive guidance counseling and academic advisory systems developed by the ~~Department~~ Division of Career and Technical Education in collaboration with the ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education that:

SECTION 36. Arkansas Code § 6-5-1004(a), concerning technical skills assessments by the Department of Career Education, is amended to read as follows:

(a) The ~~Department~~ Division of Career and Technical Education shall recognize valid and reliable technical skills assessments that provide evaluation of students' knowledge and skills necessary for entry into postsecondary education or a career in a selected program of study.

SECTION 37. Arkansas Code § 6-5-1004(b)(1), concerning technical skills assessments by the Department of Career Education, is amended to read as follows:

(1)(A) Be a third-party, industry-recognized assessment approved by the ~~department~~ division that is based on current industry standards.

(B)(i) The ~~department~~ division shall provide a current list of approved third-party, industry-recognized assessments.

(ii) The third-party, industry-recognized assessments shall be reviewed and approved by the ~~department~~ division using a process developed by the ~~department~~ division;

SECTION 38. Arkansas Code § 6-5-1004(b)(4)(B), concerning technical skills assessments by the Department of Career Education, is amended to read as follows:

(B) The ~~department~~ division shall provide technical assistance on career and technical education to secondary administrators and teachers.

SECTION 39. Arkansas Code § 6-5-1102(b)(1)-(6), concerning the establishment, membership, and meetings of the Council on Postsecondary Education and Career Readiness, are amended to read as follows:

(1) The Commissioner of Elementary and Secondary Education or his or her designee;

(2) The Director of the ~~Department~~ Division of Higher Education or his or her designee;

(3) The Director of the ~~Department~~ Division of Career and Technical Education or his or her designee;

(4) The ~~Executive~~ Director of the Arkansas Economic Development Commission or his or her designee;

(5) The Director of the ~~Department~~ Division of Workforce Services or his or her designee;

(6) A president or chancellor of an Arkansas four-year institution of higher education or his or her designee, appointed annually by the Director of the ~~Department~~ Division of Higher Education;

SECTION 40. Arkansas Code § 6-5-1102(c)(1), concerning the establishment, membership, and meetings of the Council on Postsecondary Education and Career Readiness, are amended to read as follows:

(c)(1) The Commissioner of Elementary and Secondary Education or his or her designee shall call the first meeting of the council and serve as chair for the first meeting.

SECTION 41. Arkansas Code § 6-5-1102(g), concerning the establishment, membership, and meetings of the Council on Postsecondary Education and Career Readiness, are amended to read as follows:

(g) The ~~Department of Education~~ Division of Elementary and Secondary Education, ~~Department~~ Division of Higher Education, and ~~Department~~ Division of Career and Technical Education, alternating each year, shall provide meeting space and staff for the council.

SECTION 42. Arkansas Code § 6-5-1202(b)(1), concerning the purpose and grant funding of the Advanced Placement Training and Incentive Program, is amended to read as follows:

(b)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall provide grant funding to organizations that implement measures to achieve the goals of the Advanced Placement Training and Incentive Program.

SECTION 43. The introductory language of Arkansas Code § 6-5-1202(c), concerning the purpose and grant funding of the Advanced Placement Training and Incentive Program, is amended to read as follows:

(c) Grant funding provided by the ~~department~~ division to an organization under this subchapter shall be used to:

SECTION 44. Arkansas Code § 6-10-106(a)(2), concerning uniform dates for the beginning and the end of a school year, is amended to read as follows:

(2) The ~~Department of Education~~ Division of Elementary and Secondary Education may grant a school district a waiver to begin school on an earlier or later date if the ~~department~~ division determines that there exists a material and substantial reason for the school district to begin on an earlier or later date due to very exceptional or emergency circumstances such as a contagious disease outbreak, inclement weather, or other acts of God.

SECTION 45. Arkansas Code § 6-10-106(c)(2), concerning uniform dates for the beginning and the end of a school year, is amended to read as follows:

(2) Provided, upon approval of the ~~department~~ division, this date may be used as a make-up day in any school district which has unavoidably lost more than five (5) scheduled days of student attendance during the course of the school year due to contagious disease outbreaks, inclement weather, or other acts of God.

SECTION 46. Arkansas Code § 6-10-106(d)(3), concerning uniform dates for the beginning and the end of a school year, is amended to read as follows:

(3) Nothing in this subsection shall prevent a public school district from providing fewer than five (5) consecutive school days for the

spring break holiday to comply with the ~~department's~~ division's requirement for a minimum number of days for student attendance under the Standards for Accreditation of Arkansas Public Schools and School Districts.

SECTION 47. Arkansas Code § 6-10-106(e), concerning uniform dates for the beginning and the end of a school year, is amended to read as follows:

(e) The ~~department~~ division shall not grant a waiver from the requirements of this section unless this section specifically authorizes the waiver.

SECTION 48. Arkansas Code § 6-10-110(a), concerning fire marshal programs for local school districts, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education is authorized and directed to cooperate with and assist local school districts in this state in the establishment of an Arkansas school fire marshal program.

SECTION 49. Arkansas Code § 6-10-111(a), concerning the Equity Assistance Center, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education is authorized to establish a special section within its organization, to be known as the Equity Assistance Center, designed to provide assistance to the school districts of the state in such activities as affirmative action, program accessibility, human relations, awareness, and desegregation.

SECTION 50. Arkansas Code § 6-10-111(c)(1), concerning the Equity Assistance Center, is amended to read as follows:

(c)(1) The center created by this section shall be the liaison for the ~~department~~ division with the Office for Civil Rights of the United States Department of Education.

SECTION 51. Arkansas Code § 6-10-111(d)-(f), concerning the Equity Assistance Center, are amended to read as follows:

(d) Annually, each local school district in the state shall provide the center assurances of compliance with civil rights responsibilities in the

form and at the time as is designated by the Commissioner of Elementary and Secondary Education.

(e) The ~~department~~ division may withhold state aid from any school district that fails to file its assurance of compliance with civil rights responsibilities by October 15 each year or fails to file any other information with a published deadline requested from school districts by the center so long as thirty (30) calendar days are given between the request for the information and the published deadline, except that thirty (30) days notice shall not be required when the request comes from a member or committee of the General Assembly.

(f) The ~~department~~ division is authorized to develop forms and promulgate appropriate rules, regulations, and procedures as may be required to implement the provisions of this section.

SECTION 52. Arkansas Code § 6-10-118(a), concerning information about the availability of ARKids First, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall cooperate with and assist local school districts in this state in the establishment of a program to inform students about health care coverage under the ARKids First Program Act, § 20-77-1101 et seq.

SECTION 53. Arkansas Code § 6-10-119(a)(1), concerning Medicaid billing by the Department of Education, is amended to read as follows:

(a)(1) By May 1 of each year, the ~~Department of Education~~ Division of Elementary and Secondary Education shall identify school districts that are underperforming in the area of direct-service Medicaid billing.

(2) The ~~department~~ division shall direct identified school districts to increase direct-service Medicaid billing by district staff or enter into an agreement with an education service cooperative or other public or private entity for the provision of direct-service Medicaid billing services.

SECTION 54. Arkansas Code § 6-10-122(c), concerning the requirement of automated external defibrillators at each school campus, is amended to read as follows:

(c) Beginning in 2011, the Commissioner of Elementary and Secondary

Education shall provide a report to the Senate Committee on Public Health, Welfare, and Labor and the House Committee on Public Health, Welfare, and Labor on or before July 1 each year regarding the implementation of this section and the status of automated external defibrillator availability on each school campus.

SECTION 55. Arkansas Code § 6-10-125(d), concerning keeping a school district's floor plan on file with the emergency management coordinator, is amended to read as follows:

(d) The ~~Department of Education~~ Division of Elementary and Secondary Education may adopt rules to implement this section.

SECTION 56. Arkansas Code § 6-10-129 is amended to read as follows:

6-10-129. Efficiency in reporting — Definition.

(a)(1)(A) The ~~Department of Education~~ Division of Elementary and Secondary Education or the ~~Department~~ Division of Career and Technical Education may require a school district or public school to submit data and other information deemed necessary to assure that a school district or public school is in compliance with federal and state law and rule.

(B) A required submission may be made using the Arkansas Public School Computer Network or another system specified by the ~~Department of Education~~ Division of Elementary and Secondary Education or the ~~Department~~ Division of Career and Technical Education.

(2)(A) All divisions of the ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Career and Technical Education shall have access to data and other information that is submitted to the ~~Department of Education~~ Division of Elementary and Secondary Education or the ~~Department~~ Division of Career and Technical Education respectively.

(B) An employee of the ~~Department of Education~~ Division of Elementary and Secondary Education or the ~~Department~~ Division of Career and Technical Education or a contractor acting on behalf of the ~~Department of Education~~ Division of Elementary and Secondary Education or the ~~Department~~ Division of Career and Technical Education may only access data that is necessary to perform his or her duties.

(b) As used in this section, "data and other information" that is

considered submitted includes information that is:

(1) Maintained by a school district or public school in E-School, E-Finance, or the Arkansas Public School Computer Network;

(2) Contained in any statewide data system or successor program; and

(3) Delivered to the ~~Department of Education~~ Division of Elementary and Secondary Education or the ~~Department~~ Division of Career and Technical Education in paper format.

(c)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education or the ~~Department~~ Division of Career and Technical Education may require a school district or public school to resubmit or explain data and other information if the data or other information is determined to be inaccurate, incomplete, unclear, or not in compliance with federal or state law or rule.

(2) Except as provided under subdivision (c)(1) of this section, data and other information shall not have to be resubmitted or explained in its original format or any other format.

(d) If the ~~Department of Education~~ Division of Elementary and Secondary Education or the ~~Department~~ Division of Career and Technical Education requires data or other information to be compiled into a format that is different from what was originally submitted by a school district or public school, the ~~Department of Education~~ Division of Elementary and Secondary Education or the ~~Department~~ Division of Career and Technical Education shall make the necessary format changes.

(e)(1) A school district or public school may submit by electronic means any signatures required when submitting reports or data and other information to the ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Career and Technical Education.

(2) As used in this subsection, "electronic means" means any of the following:

(A) A scanned and emailed version of a paper document;

(B) A document submitted by facsimile transmission;

(C) An electronic signature system that includes a passcode and is administered by the ~~Department of Education~~ Division of Elementary and Secondary Education; or

(D) Other technological means approved by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 57. Arkansas Code § 6-10-131(b), concerning immunity from civil liability, is amended to read as follows:

(b) Personnel of the ~~Department of Education~~ Division of Elementary and Secondary Education, including without limitation the Commissioner of Elementary and Secondary Education, are immune from civil liability and suit for damages for the enforcement of policies adopted by the State Board of Education or the ~~Department of Education~~ Division of Elementary and Secondary Education if the policies are in compliance with state or federal law.

SECTION 58. Arkansas Code § 6-11-101(d)(2), concerning members of the State Board of Education, is amended to read as follows:

(2) Neither the Commissioner of Elementary and Secondary Education nor any candidate for public office, holder of a public office in the state, schoolteacher, county or city superintendent, employee of a state-supported college or university, or member of any board of trustees of any state institution of higher education shall serve as a member of the state board.

SECTION 59. Arkansas Code § 6-11-102(a)(1), concerning the Commissioner of Education, is amended to read as follows:

(a)(1) Subject to confirmation by the Governor, the State Board of Education is empowered to employ a person to act as the Commissioner of Elementary and Secondary Education and who shall be the administrative head of the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 60. Arkansas Code § 6-11-102(c)(1)(A), concerning the Commissioner of Education, is amended to read as follows:

(A) Be a person of good moral character, recognized as a leader in the field of education, and qualified technically and by experience to direct the work of the ~~department~~ division; and

SECTION 61. Arkansas Code § 6-11-103(b), concerning officers of the

State Board of Education, is amended to read as follows:

(b) The Commissioner of Elementary and Secondary Education shall act as ex officio secretary of the state board without a vote.

SECTION 62. Arkansas Code § 6-11-104(c)(1), concerning meetings of the State Board of Education, is amended to read as follows:

(c)(1) Special meetings may be called by the chair of the state board with no less than twenty-four (24) hours notice to the members and the Commissioner of Elementary and Secondary Education and with timely responses from enough state board members that they will attend the meeting so as to indicate that a quorum will be present.

SECTION 63. Arkansas Code § 6-11-105(a)(8)(B), concerning the powers and duties of the State Board of Education, is amended to read as follows:

(B) However, this section shall not prohibit the state board and the ~~Department of Education~~ Division of Elementary and Secondary Education from issuing teachers' licenses upon the results of teachers' examinations as now provided by law;

SECTION 64. Arkansas Code § 6-11-105(a)(9), concerning the powers and duties of the State Board of Education, is amended to read as follows:

(9) Eliminate unnecessary reports and paperwork by yearly identifying and compiling a list of all reports that are required from local school districts by the ~~department~~ division or the state board for the school year;

SECTION 65. Arkansas Code § 6-11-105(a)(10), concerning the powers and duties of the State Board of Education, is amended to read as follows:

(10) Adopt policies to ensure, except as allowed under subsection (b) of this section, that local school districts are not required by the state board or the ~~department~~ division to:

(A) Provide information that is already available on a ~~department~~ division student information management system or housed within the ~~department~~ division;

(B) Provide the same written information more than one (1) time during a school year unless the information has changed during the

school year; or

(C) Complete forms for children with disabilities that are not necessary to ensure compliance with federal statutes and regulations, including, but not limited to, the Individuals with Disabilities Education Act, state mandates, and corresponding appropriations governing the provision of special education services to students with disabilities; and

SECTION 66. Arkansas Code § 6-11-105(a)(11)(B), concerning the powers and duties of the State Board of Education, is amended to read as follows:

(B) The state board may designate the authority granted under this subdivision (a)(12) to the Commissioner of Elementary and Secondary Education.

SECTION 67. Arkansas Code § 6-11-105(b) and (c), concerning the powers and duties of the State Board of Education, is amended to read as follows:

(b) The state board may require information available on a ~~department~~ division student information management system or require the same information twice if the state board can demonstrate a compelling need and can demonstrate there is not a more expeditious manner of getting the information.

(c) The state board may organize and, from time to time, change and alter the ~~department~~ division into branches or sections as may be found necessary and desirable by the commissioner to perform all proper functions and to render maximum service relating to the operation and improvement of the general education programs of the state.

SECTION 68. Arkansas Code § 6-11-107 is amended to read as follows:

6-11-107. Official seal.

The State Board of Education shall adopt a seal, and the seal shall be used by the Commissioner of Elementary and Secondary Education to authenticate documents or copies of documents as the state board or commissioner may deem advisable.

SECTION 69. Arkansas Code § 6-11-110(b), concerning the uniform system of records and reports by the State Board of Education, is amended to read as follows:

(b) All the school officials and employees listed in subsection (a) of this section shall make reports to the Commissioner of Elementary and Secondary Education as may be designated by the state board.

SECTION 70. Arkansas Code § 6-11-111(a), concerning records of proceedings and the annual report of the State Board of Education, is amended to read as follows:

(a) The State Board of Education shall keep in the office of the Commissioner of Elementary and Secondary Education a complete record of the minutes of its meetings and other proceedings and annually shall make a report to the Governor that shall embody the report of the commissioner to the state board.

SECTION 71. Arkansas Code § 6-11-111(c)(1), concerning records of proceedings and the annual report of the State Board of Education, is amended to read as follows:

(c)(1) Each annual report of the state board shall be printed by the state board and distributed among the various school officers of the state or made available to public school districts by including a link to the annual report on the ~~Department of Education~~ Division of Elementary and Secondary Education website.

SECTION 72. Arkansas Code § 6-11-117 is amended to read as follows:

6-11-117. Copies of documents as evidence.

Copies of any papers or documents on file in the office of the Commissioner of Elementary and Secondary Education authenticated by him or her with the seal of the State Board of Education shall be admissible in evidence with the same effect as the original.

SECTION 73. Arkansas Code § 6-11-124 is amended to read as follows:

6-11-124. Statewide computer network.

(a)(1) Acts 1991, No. 1034, authorizes the Board of Trustees of the Arkansas Teacher Retirement System to provide a loan to the Department of Education, now known as the Division of Elementary and Secondary Education, for a statewide computer system capable of linking all public school systems and the department.

(2) In order to provide alternatives to accomplish the purposes of Acts 1991, No. 1034, the department, now division, is hereby authorized to enter into a contractual agreement with IMPAC Learning Systems, Inc., for the development of a statewide computer system capable of linking all public school systems and the department, now division, from funds provided by a loan from the Arkansas Teacher Retirement System.

(b) The State Board of Education shall maintain oversight authority over the approval of all standards, procedures, and specifications determined by the department, now division, regarding the purchase or lease of the statewide computer network in addition to maintaining oversight authority over the operational aspects of the system.

(c) The Commissioner of Elementary and Secondary Education may request from the Chief Fiscal Officer of the State a transfer of appropriation authorized for school district management and statewide data collection by the General Assembly to any other line item appropriation authorized for the department, now division, for the same purpose.

SECTION 74. Arkansas Code § 6-11-125 is amended to read as follows:

6-11-125. Legislative intent regarding information technology.

(a) The General Assembly finds that the State of Arkansas has provided the encouragement and the financial means to build a foundation for an information technology network linking local school districts and the ~~Department of Education~~ Division of Elementary and Secondary Education. The General Assembly further finds that the amount of information that local school districts and their personnel are required to furnish the ~~department~~ division, while essential, has become increasingly burdensome. The General Assembly therefore expresses its intent and commitment to ensuring that the ~~department~~ division utilizes and continually upgrades to the fullest extent possible the information technology network linking the various school districts and the ~~department~~ division.

(b) The State Board of Education, acting through the ~~department~~ division, shall use every means available to eliminate the amount of paperwork required by state law and regulations to be reported from each local school district by utilizing to the fullest extent possible, beginning no later than July 1, 1998, the information technology network linking local school districts and the ~~department~~ division.

SECTION 75. Arkansas Code § 6-11-126 is amended to read as follows:

6-11-126. Computer funds approval.

Before the ~~Department of Education~~ Division of Elementary and Secondary Education obligates any funds for the purchase or lease of a computer for the Arkansas Public School Computer Network, the ~~department~~ division shall first seek prior review from the Joint Interim Oversight Subcommittee on Educational Reform.

SECTION 76. Arkansas Code § 6-11-1289(a)(1), concerning the Arkansas Public School computer Network, is amended to read as follows:

(a)(1) As used in this section, "Arkansas Public School Computer Network" or "APSCN" means the ~~Department of Education~~ Division of Elementary and Secondary Education's computer network system for public school district reporting of financial management data and student management data to the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 77. The introductory language of Arkansas Code § 6-11-128(b), concerning the Arkansas Public School Computer Network, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education shall implement the use of policies, procedures, and personnel to provide for data quality and security with the Arkansas Public School Computer Network, including without limitation the following:

SECTION 78. Arkansas Code § 6-11-128(b)(1), concerning the Arkansas Public School Computer Network, is amended to read as follows:

(1) Periodically conducting a thorough security review and security risk assessment for all information, including without limitation personally identifiable employee and student information, that originates in the school districts and terminates on ~~Department~~ Division of Information Systems and Arkansas Public School Computer Network servers;

SECTION 79. Arkansas Code § 6-11-128(b)(4), concerning the Arkansas Public School Computer Network, is amended to read as follows:

(4) Creating and maintaining a process for documenting and

monitoring the quality of data from its source of entry into the network to any educational data repository in the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 80. The introductory language of Arkansas Code § 6-11-128(c)(1)(A), concerning the Arkansas Public School Computer Network, is amended to read as follows:

(c)(1)(A) Beginning with the 2007-2008 school year, the ~~Department of Education~~ Division of Elementary and Secondary Education shall:

SECTION 81. Arkansas Code § 6-11-128(c)(2)(A)-(C), concerning the Arkansas Public School Computer Network, is amended to read as follows:

(2)(A) Beginning with the 2008-2009 school year, the ~~Department of Education~~ Division of Elementary and Secondary Education shall release monthly from the Arkansas Public School Computer Network selected financial and student management data submitted by public school districts for the previous month.

(B) The General Assembly and the ~~Department of Education~~ Division of Elementary and Secondary Education shall determine by mutual agreement what financial and student management data will be selected for the monthly release.

(C) The ~~Department of Education~~ Division of Elementary and Secondary Education shall make the information available to the General Assembly in the Arkansas Public School Computer Network data warehouse by the tenth business day of each month.

SECTION 82. Arkansas Code § 6-11-129(a)(1)(A)(v), concerning data school districts shall make accessible on a website, is amended to read as follows:

(v) The school district budget for the ensuing year, which shall be posted on the website within thirty (30) days following the date required to be submitted to the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 83. Arkansas Code § 6-11-129(b), concerning data school districts shall make accessible on a website, is amended to read as follows:

(b) The ~~department~~ division shall make the information and data required by this section available and easily accessible on the ~~department's~~ division's website by including direct links to the websites of all Arkansas school districts.

SECTION 84. Arkansas Code § 6-11-201(a), concerning the Director of the Department of Career Education, is amended to read as follows:

(a)(1) The Director of the ~~Department~~ Division of Career and Technical Education, or a disbursing agent designated by him or her and approved by the ~~Career Education and Workforce Development Board~~ State Board of Education, shall give bond to the State of Arkansas as provided by law for other disbursing agents conditioned for the faithful performance of his or her duties and the faithful accounting for all the school money of the state, of any county, or of any school district that may come into his or her hands.

SECTION 85. Arkansas Code § 6-11-208(a)(1) and (2), concerning the formation of the multiagency task force for the Regional Education Career Alternative School System for Adjudicated Youth, are amended to read as follows:

(a)(1) A multiagency task force, staffed and supported by the ~~Department~~ Division of Career and Technical Education, is established and shall consist of five (5) members, including:

(A) The Commissioner of Elementary and Secondary Education or his or her designee;

(B) The Director of the ~~Department~~ Division of Career and Technical Education or his or her designee;

(C) The Director of the ~~Department~~ Division of Higher Education or his or her designee;

(D) The ~~Director~~ Secretary of the Department of Human Services or his or her designee; and

(E) The Director of the ~~Department~~ Division of Workforce Services or his or her designee.

(2) Funding for the multiagency task force shall be provided by:

(A) The ~~Department~~ Division of Career and Technical Education; or

(B) Each agency that serves on the multiagency task force,

in an equal amount.

SECTION 86. Arkansas Code § 6-13-113 is amended to read as follows:

6-13-113. School district desegregation orders — Orders.

(a) By January 1, 2016, a school district that is subject to a desegregation order or desegregation-related order shall notify the ~~Department of Education~~ Division of Elementary and Secondary Education in writing.

(b) A school district that is subject to a desegregation order or a desegregation-related order shall include in the written notice to the ~~department~~ division:

(1) A copy of the desegregation order or desegregation-related order;

(2) The case heading and case number of each court case in which the order was entered;

(3) The name and location of each court that maintains jurisdiction over the order; and

(4) A description of the school choice student transfer desegregation obligations, if any, that the school district is subject to, related to the order.

(c) A school district that is released from court supervision related to a desegregation order or desegregation-related order shall promptly notify the ~~department~~ division.

(d) A school district that fails to meet the requirements of this section is in violation of the Standards for Accreditation of Arkansas Public Schools and School Districts.

(e) The ~~department~~ division shall post on the ~~department's~~ division's website all written notifications received as required by this section.

SECTION 87. Arkansas Code § 6-13-631(h), concerning the effect of minority populations on elections, is amended to read as follows:

(h)(1)(A) On or before August 1, 2002, and every decade thereafter, each and every school district shall submit to the ~~Department of Education~~ Division of Elementary and Secondary Education a letter stating whether or not its school district board of directors falls under this section.

(B) In that same letter, each school district that falls

under this section shall state how it has complied with this section.

(C) Furthermore, in the same letter, any school district that believes that it is exempt from this section shall state under which provision it is exempt.

(2) The ~~department~~ division shall withhold twenty percent (20%) of the annual state funds allocation to a school district not in compliance with this section.

SECTION 88. Arkansas Code § 6-13-635(b)(2)(B), concerning the school board review and approval of salary increases, is amended to read as follows:

(B) Within thirty (30) days following the date of an audit report in which an auditor notes noncompliance under this section, the school district shall provide a copy of the audit report to the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 89. The introductory language of Arkansas Code § 6-13-635(b)(2)(C), concerning the school board review and approval of salary increases, is amended to read as follows:

(C) Annually by October 1, the ~~department~~ division shall:

SECTION 90. Arkansas Code § 6-13-701(c), concerning the powers and duties of school district boards of directors in Arkansas, is amended to read as follows:

(c) An executed certificate of appointment shall be filed with the county clerk, the county treasurer, and the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 91. Arkansas Code § 6-13-701(e)(2), concerning the powers and duties of school district boards of directors in Arkansas, is amended to read as follows:

(2) To keep a record of all financial transactions of the school district on forms approved by the ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Division of~~ Arkansas Legislative Audit;

SECTION 92. Arkansas Code § 6-13-701(e)(5), concerning the powers and

duties of school district boards of directors in Arkansas, is amended to read as follows:

(5) To make such financial reports to the ~~Department of Education~~ Division of Elementary and Secondary Education as are required by law;

SECTION 93. Arkansas Code § 6-13-701(g)(2)(B), concerning the powers and duties of school district boards of directors in Arkansas, is amended to read as follows:

(B) All activity funds and school food service funds shall be maintained and accounted for in accordance with guidelines and procedures established by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 94. Arkansas Code § 6-13-701(i), concerning the powers and duties of school district boards of directors in Arkansas, is amended to read as follows:

(i) The records of the school district treasurers shall be audited by ~~the division~~ Arkansas Legislative Audit annually in the same manner as now provided for the auditing of county officials.

SECTION 95. Arkansas Code § 6-13-808(a), concerning the Arkansas Traveling Teacher Program, is amended to read as follows:

(a) The Arkansas Traveling Teacher Program is hereby established and shall be administered by the ~~Department of Education~~ Division of Elementary and Secondary Education with the assistance of public school districts and education service cooperatives.

SECTION 96. The introductory language of Arkansas Code § 6-13-808(b)(2), concerning the Arkansas Traveling Teacher Program, is amended to read as follows:

(2) The parties shall enter into a written agreement, in the form established by the ~~Department of Education~~ Division of Elementary and Secondary Education, that shall include without limitation the following:

SECTION 97. Arkansas Code § 6-13-808(b)(2)(G)(ii), concerning the

Arkansas Traveling Teacher Program, is amended to read as follows:

(ii) The ~~Department of Education~~ Division of Elementary and Secondary Education shall not approve an agreement under this section unless the agreement requires the traveling teacher to be physically present in the receiving school district while the traveling teacher is teaching any course specified in the agreement.

SECTION 98. Arkansas Code § 6-13-808(b)(3), concerning the Arkansas Traveling Teacher Program, is amended to read as follows:

(3) The agreement shall be reviewed and approved by the ~~Department of Education~~ Division of Elementary and Secondary Education under subsection (f) of this section.

SECTION 99. The introductory language of Arkansas Code § 6-13-808(c), concerning the Arkansas Traveling Teacher Program, is amended to read as follows:

(c) To the extent the agreement is approved by the ~~Department of Education~~ Division of Elementary and Secondary Education:

SECTION 100. Arkansas Code § 6-13-808(c)(1)(B), concerning the Arkansas Traveling Teacher Program, is amended to read as follows:

(B) The ~~Department of Education~~ Division of Elementary and Secondary Education shall reimburse the host school district for the amount of bonus paid to the traveling teacher; and

SECTION 101. Arkansas Code § 6-13-808(c)(2)(B), concerning the Arkansas Traveling Teacher Program, is amended to read as follows:

(B) The ~~Department of Education~~ Division of Elementary and Secondary Education shall reimburse the host school district for the amount of travel reimbursement paid by the host school district to the traveling teacher.

SECTION 102. Arkansas Code § 6-13-808(d)-(g), concerning the Arkansas Traveling Teacher Program, are amended to read as follows:

(d) Neither the ~~Department of Education~~ Division of Elementary and Secondary Education nor the State of Arkansas shall be obligated or liable to

reimburse any bonus or travel expenses incurred under an agreement for traveling teacher services under this section if the ~~Department of Education~~ Division of Elementary and Secondary Education has not reviewed and approved the entire agreement.

(e) The ~~Department of Education~~ Division of Elementary and Secondary Education may, if feasible and if funding is available, establish an online registry of public school teachers willing to enter into an agreement for traveling teacher services under this section with information concerning the teacher's employing school district and any course the teacher is qualified to teach.

(f)(1) All proposed agreements among a host school district, a receiving school district, and a traveling teacher shall be submitted to the ~~Department of Education~~ Division of Elementary and Secondary Education by a date certain for review and approval by the ~~Department of Education~~ Division of Elementary and Secondary Education.

(2) The ~~Department of Education~~ Division of Elementary and Secondary Education shall review each agreement with all requisite authority to approve or deny the agreement based on the provisions of law, rule, availability of funding, and discretionary determination as to the best use of state resources and funding.

(3) The ~~Department of Education~~ Division of Elementary and Secondary Education shall endeavor to consider approval of an agreement to:

(A) Place a traveling teacher with a receiving school district to maximize the efficiency of the traveling teacher's service to both the host and receiving school districts; and

(B) Minimize the extent and duration of any travel required.

(g)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall establish any rules and agreement forms necessary for the administration of the Arkansas Traveling Teacher Program.

(2) In establishing the rules, the ~~Department of Education~~ Division of Elementary and Secondary Education shall:

(A) Prioritize the approval of agreements for traveling teacher services based on subject-area course needs;

(B) Establish appropriate travel limitations;

(C) Develop a method of equitable distribution of

traveling teachers among the area's education service cooperatives; and

(D) Provide a means by which education service cooperatives may assist in facilitating traveling teachers.

SECTION 103. Arkansas Code § 6-13-903(c), concerning the powers of public school districts, is amended to read as follows:

(c) The ~~Department of Education~~ Division of Elementary and Secondary Education shall not distribute state equalization aid directly to any educational cooperative.

SECTION 104. Arkansas Code § 6-13-905(c), concerning the board of directors of cooperating school districts, is amended to read as follows:

(c) Policies for the operation of the educational cooperative will be developed by the board of directors and be filed with the ~~Department of Education~~ Division of Elementary and Secondary Education as required by law of school districts generally.

SECTION 105. Arkansas Code § 6-13-906 is amended to read as follows:

6-13-906. Rules, regulations, and reports.

(a) The educational cooperative will:

(1) Abide by all rules and regulations of the ~~Department of Education~~ Division of Elementary and Secondary Education which apply to school districts generally; and

(2) Make all reports as required by law and regulation which apply to school districts generally to the ~~department~~ Division of Elementary and Secondary Education.

(b)(1) Records of the expenditures and receipts of the educational cooperatives shall be kept in such manner and on such forms as may be specified by the ~~department~~ Division of Elementary and Secondary Education or the School Audit Section of ~~the Division of~~ Arkansas Legislative Audit.

(2) Reports on expenditures and receipts shall be made for the cooperative as a single agency or shall be made separately by the school districts to reflect the status of each member school district at such time and in such manner as specified by the ~~department~~ Division of Elementary and Secondary Education.

SECTION 106. Arkansas Code § 6-13-1002(b)(3), concerning the establishment and functions of the educational service cooperatives, is amended to read as follows:

(3) Promoting coordination between school districts and the ~~Department of Education~~ Division of Elementary and Secondary Education in order to provide services which are consistent with the needs identified by school districts and the educational priorities of the state as established by the General Assembly or the state board.

SECTION 107. Arkansas Code § 6-13-1011(a)(2), concerning personnel of education service cooperatives, is amended to read as follows:

(2) In lieu of a salary schedule, an education service cooperative annually may submit to the ~~Department of Education~~ Division of Elementary and Secondary Education a complete listing of all employees of the education service cooperative and each employee's position, salary, and benefits.

SECTION 108. Arkansas Code § 6-13-1012 is amended to read as follows:

6-13-1012. Agency personnel.

With the approval of an education service cooperative's governing body, the ~~directors in the Department of Education~~ the Director of the Division of Elementary and Secondary Education may assign state educational agency personnel to that education service cooperative.

SECTION 109. Arkansas Code § 6-13-1014 is amended to read as follows:

6-13-1014. Sharing and coordination of activities — Liaison.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall encourage sharing and coordination of activities among the education service cooperatives.

(b) The Commissioner of Elementary and Secondary Education shall name a person to serve as liaison between the ~~department~~ division and the education service cooperatives.

(c) This liaison shall provide information on resources and programs and be the general contact person in the ~~department~~ division for the education service cooperatives.

SECTION 110. Arkansas Code § 6-13-1016(c), concerning annual surveys and needs assessments of education service cooperatives, is amended to read as follows:

(c) Each education service cooperative shall work with the ~~Department of Education~~ Division of Elementary and Secondary Education to conduct statewide surveys which complement, rather than duplicate, the work of the ~~department~~ division.

SECTION 111. Arkansas Code § 6-13-1020(a)(3)(A), concerning policies, procedures, expenditures, reports, and audits to be filed with the State Board of Education, is amended to read as follows:

(3)(A) A report of its receipts and expenditures made in accordance with uniform accounting procedures adopted by the Commissioner of Elementary and Secondary Education.

SECTION 112. Arkansas Code § 6-13-1020(b), concerning policies, procedures, expenditures, reports, and audits to be filed with the State Board of Education, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education may prescribe the forms and procedures for filing the information required by subsection (a) of this section.

SECTION 113. Arkansas Code § 6-13-1020(d)(2), concerning policies, procedures, expenditures, reports, and audits to be filed with the State Board of Education, is amended to read as follows:

(2) The education service cooperative shall supplement its report with written reports to each school district and to the ~~department~~ division on a school-by-school, service-by-service accounting basis.

SECTION 114. Arkansas Code § 6-13-1021(a), concerning evaluations and performance ratings of education service cooperatives, is amended to read as follows:

(a) Each education service cooperative shall be evaluated during the 2012-2013 school year, and at least once within each five-year period, on a schedule established by the Commissioner of Elementary and Secondary Education, all active education service cooperatives must be visited by an

evaluation committee of not more than nine (9) persons.

SECTION 115. Arkansas Code § 6-13-1021(b)(1)(B), concerning evaluations and performance ratings of education service cooperatives, is amended to read as follows:

(B) The final evaluation, including any self-evaluation, shall be included in the annual report to the ~~Department of Education~~ Division of Elementary and Secondary Education, § 6-13-1020, and made available on the website of the education service cooperative.

SECTION 116. Arkansas Code § 6-13-1021(b)(2)(A), concerning evaluations and performance ratings of education service cooperatives, is amended to read as follows:

(2)(A) The evaluation criteria shall be developed collaboratively between the ~~department~~ division and the director of each education service cooperative.

SECTION 117. Arkansas Code § 6-13-1021(e), concerning evaluations and performance ratings of education service cooperatives, is amended to read as follows:

(e) The ~~department~~ division shall promulgate rules necessary for implementing this section.

SECTION 118. Arkansas Code § 6-13-1021(f)(2)(A), concerning evaluations and performance ratings of education service cooperatives, is amended to read as follows:

(A) A ~~Department of Education~~ Division of Elementary and Secondary Education staff member;

SECTION 119. The introductory language of Arkansas Code § 6-13-1027(b), concerning the Education Service Cooperative Act of 1985, is amended to read as follows:

(b) Any education service cooperative that meets one (1) or more of the following criteria may be identified by the ~~Department of Education~~ Division of Elementary and Secondary Education as being in fiscal distress upon final approval of the State Board of Education:

SECTION 120. Arkansas Code § 6-13-1027(b)(1)(B), concerning the Education Service Cooperative Act of 1985, is amended to read as follows:

(B) The ~~department~~ division shall not use capital outlay expenditures from the education service cooperative's balance for facilities to identify the education service cooperative as being in fiscal distress;

SECTION 121. Arkansas Code § 6-13-1027(b)(8), concerning the Education Service Cooperative Act of 1985, is amended to read as follows:

(8) Any other fiscal condition of the education service cooperative that the ~~department~~ division determines materially impacts the education service cooperative's delivery of education services.

SECTION 122. Arkansas Code § 6-13-1027(c) and (d), concerning the Education Service Cooperative Act of 1985, are amended to read as follows:

(c)(1) The ~~department~~ division may identify an education service cooperative as being in fiscal distress at any time a fiscal condition of the education service cooperative is discovered to have a detrimental negative impact on the continuation of educational services provided by the education service cooperative.

(2)(A) If the ~~department~~ division identifies an education service cooperative as being in fiscal distress, the ~~department~~ division shall notify the education service cooperative in writing of the identification of fiscal distress within ten (10) calendar days.

(B) The ~~department~~ division shall identify in the notice each criteria for fiscal distress on which the ~~department~~ division based the identification of fiscal distress.

(C) The ~~department~~ division shall deliver the notice by certified mail, return receipt requested, and addressed to:

(i) The president of the education service cooperative's board of directors; and

(ii) The director of the education service cooperative employed under § 6-13-1010.

(d) The identification of fiscal distress made by the ~~department~~ division under this section may be appealed to the state board under § 6-13-1031 in which case the final order entered upon appeal is the final

classification of fiscal distress.

SECTION 123. Arkansas Code § 6-13-1027(e)(2), concerning the Education Service Cooperative Act of 1985, is amended to read as follows:

(2) File with the ~~department~~ division a fiscal distress plan under § 6-13-1028.

SECTION 124. The introductory language of Arkansas Code § 6-13-1028(a), concerning the fiscal distress plan, is amended to read as follows:

(a) An education service cooperative that is classified by the State Board of Education as being in fiscal distress shall file with the ~~Department of Education~~ Division of Elementary and Secondary Education a fiscal distress plan that:

SECTION 125. Arkansas Code § 6-13-1028(b) and (c), concerning the fiscal distress plan, are amended to read as follows:

(b) The ~~department~~ division shall approve the fiscal distress plan before the education service cooperative implements the fiscal distress plan.

(c) An education service cooperative identified as being in fiscal distress is required to receive on-site technical evaluation and assistance from the ~~department~~ division.

SECTION 126. The introductory language of Arkansas Code § 6-13-1029(a), concerning fiscal distress actions, is amended to read as follows:

(a) To address the identified areas of fiscal distress of an education service cooperative, the ~~Department of Education~~ Division of Elementary and Secondary Education shall:

SECTION 127. Arkansas Code § 6-13-1029(a)(1)(B), concerning fiscal distress actions, is amended to read as follows:

(B) The recommendations of the ~~department~~ division are binding on the education service cooperative;

SECTION 128. The introductory language of Arkansas Code § 6-13-1029(b), concerning fiscal distress actions, is amended to read as follows:

(b) The ~~department~~ division also may take one (1) or more of the

following actions:

SECTION 129. Arkansas Code § 6-13-1029(b)(1)(A)(ii) and (iii), concerning fiscal distress actions, are amended to read as follows:

(ii) An individual appointed to replace the director shall administratively operate the education service cooperative under the supervision and approval of the Commissioner of Elementary and Secondary Education.

(iii) The ~~department~~ division may compensate ~~nondepartment~~ nondivision agents operating the education service cooperative from the education service cooperative's funding; and

SECTION 130. Arkansas Code § 6-13-1029(c), concerning fiscal distress actions, is amended to read as follows:

(c) Within two (2) consecutive school years of the State Board of Education's final classification of fiscal distress, the ~~department~~ division shall determine whether to recommend that the education service cooperative be removed from fiscal distress status.

SECTION 131. The introductory language of Arkansas Code § 6-13-1030(a), concerning the removal from fiscal distress status, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall certify in writing to the education service cooperative that the education service cooperative may be removed from fiscal distress status when the ~~department~~ division determines that the education service cooperative has:

SECTION 132. Arkansas Code § 6-13-1030(a)(2), concerning the removal from fiscal distress status, is amended to read as follows:

(2) Complied with all ~~department~~ division recommendations and requirements for removal from fiscal distress status.

SECTION 133. Arkansas Code § 6-13-1030(b)(2), concerning removal from fiscal distress status, is amended to read as follows:

(2) An education service cooperative may not petition the state

board for removal from fiscal distress status before the ~~department~~ division makes the certification under subsection (a) of this section.

SECTION 134. Arkansas Code § 6-13-1031(b), concerning an appeal by an education service cooperative regarding its identification of fiscal distress, is amended to read as follows:

(b) The education service cooperative may lodge an appeal by filing a written appeal with the Commissioner of Elementary and Secondary Education by certified mail, return receipt requested, within thirty (30) days of the date the education service cooperative received notice of the identification of fiscal distress.

SECTION 135. Arkansas Code § 6-13-1031(e), concerning an appeal by an education service cooperative regarding its identification of fiscal distress, is amended to read as follows:

(e) Notwithstanding any appeal rights in this section, no appeal shall stay the state board's or the ~~Department of Education's~~ Division of Elementary and Secondary Education's authority to take action to enforce the education service cooperative's compliance with financial management, accounting, auditing, and reporting procedures required by state or federal law and regulations.

SECTION 136. Arkansas Code § 6-13-1104 is amended to read as follows:

6-13-1104. Powers and duties.

Any model rural early childhood consortium created pursuant to this subchapter shall have the authority to petition the ~~Department of Education~~ Division of Elementary and Secondary Education or the State Board of Education for waivers from present school standards to fulfill the purposes set forth in § 6-13-1101.

SECTION 137. Arkansas Code § 6-13-1106(a)(2), concerning the criteria for an educational consortium, is amended to read as follows:

(2) The ~~Department of Education~~ Division of Elementary and Secondary Education shall determine which applications are accepted in accordance with the state board's published criteria.

SECTION 138. Arkansas Code § 6-13-1308 is amended to read as follows:

6-13-1308. Assistance by ~~Department of Education~~ Division of Elementary and Secondary Education.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education may develop sample guidelines to assist local boards of directors in the development of their policies.

(b) The ~~department~~ division may provide professional development activities to assist schools in implementing site-based decision making.

SECTION 139. Arkansas Code § 6-13-1404(d)(2)(B), concerning the conditions under which the State Board of Education may consolidate school districts, is amended to read as follows:

(B) It shall be the duty of the ~~Department of Education~~ Division of Elementary and Secondary Education to make changes in the maps of the school districts to properly show the boundary lines of the resulting district or districts.

SECTION 140. Arkansas Code § 6-13-1414(d), concerning a boundary change by the State Board of Education, is amended to read as follows:

(d) Upon an order from the state board to change or adjust boundary lines, it shall be the duty of the ~~Department of Education~~ Division of Elementary and Secondary Education to immediately make changes in the maps of the school districts of the county to show the changes of boundaries.

SECTION 141. The introductory language of Arkansas Code § 6-13-1602, concerning the publication of an administrative consolidation list, is amended to read as follows:

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

SECTION 142. Arkansas Code § 6-13-1603(a)(1), concerning administrative reorganization, is amended to read as follows:

(a)(1) Any school district included in the ~~Department of Education's~~ Division of Elementary and Secondary Education's consolidation list under § 6-13-1602 may voluntarily agree to administratively consolidate with or be annexed to another school district or districts in accordance with the

requirements and limitations of this section.

SECTION 143. Arkansas Code § 6-13-1603(g)(2), concerning administrative reorganization, is amended to read as follows:

(2) The school district fails to comply with the Standards for Accreditation of Arkansas Public Schools and School Districts issued by the ~~department~~ division.

SECTION 144. Arkansas Code § 6-13-1608(c)-(f), concerning an audit of all school district's by the Division of Legislative Audit, are amended to read as follows:

(c)(1) Beginning on the date of publication of the consolidation list under § 6-13-1602 each year, the ~~Department of Education~~ Division of Elementary and Secondary Education shall have authority to oversee all fiscal and accounting-related matters of all school districts on the consolidation list and shall require those school districts to have accurate records necessary to close all books within sixty (60) days after the end of the fiscal year.

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

(d) Any school that is involved in an administrative consolidation or administrative annexation shall have an audit started within thirty (30) days of the completion of the closing of the books by the school district.

(e) The ~~Department~~ Division of Elementary and Secondary Education and the ~~division~~ Arkansas Legislative Audit shall jointly develop the scope and details of the comprehensive fiscal review consistent with the requirements of this section.

(f) A school district may not incur debt without the prior written approval of the ~~department~~ Division of Elementary and Secondary Education if the school district is identified by the ~~department~~ Division of Elementary and Secondary Education under § 6-13-1602(1) as having fewer than three hundred fifty (350) students according to the school district average daily

membership in the school year immediately preceding the current school year.

SECTION 145. Arkansas Code § 6-13-1610(a)(5), concerning the definition of "improper expenditure exceptions" under the laws establishing financial relief for debts acquired as a result of involuntary consolidations, is amended to read as follows:

(5) "Improper expenditure exceptions" means an erroneous expenditure of federal or state funds that is noted as an audit exception and has been determined by the ~~Department of Education~~ Division of Elementary and Secondary Education to require an expenditure of funds by the resulting district to be correct.

SECTION 146. Arkansas Code § 6-13-1610(b), concerning financial relief for debts acquired as a result of involuntary consolidations, is amended to read as follows:

(b) If on July 1, 2004, or thereafter, the State Board of Education required an involuntary administrative consolidation under § 6-13-1603(a)(3) and the resulting district assumed excess accounts payable or improper expenditure exceptions incurred by the Act 60 school district before the July 1 administrative consolidation date that would have caused deficit spending if paid from the funds of the Act 60 school district, the ~~department~~ Division of Elementary and Secondary Education shall provide supplemental funding to the resulting district.

SECTION 147. Arkansas Code § 6-13-1610(c)(2)(A), concerning financial relief for debts acquired as a result of involuntary consolidations, is amended to read as follows:

(2)(A) Amount of accounts payable, excess accounts payable, improper expenditure exceptions, and available funding shall be determined by the ~~department~~ Division of Elementary and Secondary Education based on information provided in a final audit and other verifiable fiscal information available to the ~~department~~ division.

SECTION 148. Arkansas Code § 6-13-1610(d), concerning financial relief for debts acquired as a result of involuntary consolidations, is amended to read as follows:

(d)(1) Beginning on the date of the publication of the consolidation list under § 6-13-1602 each year, the ~~department~~ division shall have authority to oversee all fiscal and accounting-related matters of all school districts on the consolidation list and shall require these school districts to have accurate records necessary to close all books within sixty (60) days of the end of the fiscal year.

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

SECTION 149. The introductory language of Arkansas Code § 6-13-1611(a), concerning reports by administratively consolidated school districts, is amended to read as follows:

(a) By October 1 of each year, the resulting district or receiving district of any school district that was administratively consolidated or administratively annexed under §§ 6-13-1601 — 6-13-1603~~, 6-13-1604 [repealed], and 6-13-1605 [repealed]~~ shall file a written report with the House Committee on Education, the Senate Committee on Education, and the ~~Department of Education~~ Division of Elementary and Secondary Education indicating:

SECTION 150. The introductory language of Arkansas Code § 6-13-1611(b), concerning reports by administratively consolidated school districts, is amended to read as follows:

(b) The ~~department~~ division shall develop or approve a survey to be used by the resulting districts or receiving districts to capture perceptual data from parents and students regarding their opinions on:

SECTION 151. The introductory language of Arkansas Code § 6-13-1612(c), concerning academic support centers, is amended to read as follows:

(c) The ~~Department of Education~~ Division of Elementary and Secondary Education shall:

SECTION 152. Arkansas Code § 6-13-1613(a)(1), concerning minimum

school district size waivers, is amended to read as follows:

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

SECTION 153. Arkansas Code § 6-14-113(d), concerning election kits for school elections, is amended to read as follows:

(d) The cost of the kits or packages prepared by the ~~Department of Education~~ Division of Elementary and Secondary Education pursuant to this section shall be paid from the maintenance funds provided for the ~~department~~ division by legislative appropriation.

SECTION 154. Arkansas Code § 6-15-102 is amended to read as follows:

6-15-102. Division of Public School Accountability.

(a)(1) To enhance the public's access to public school performance indicators and to better measure the benefits of the increasing public investment in Arkansas's schools, the General Assembly finds that a Division of Public School Accountability ~~of~~ under the ~~Department of Education~~ Division of Elementary and Secondary Education should be established under the direct operational control of the Commissioner of Elementary and Secondary Education.

(2) The foremost obligation of the ~~division~~ Division of Public School Accountability shall be to administer all monitoring and compliance activities dealing with academic and fiscal accountability for each school or school district and to report academic progress.

(b) There is created the Division of Public School Accountability ~~of~~ under the ~~Department of Education~~ Division of Elementary and Secondary Education.

(c) The ~~division~~ Division of Public School Accountability shall be under the supervision of the commissioner.

(d)(1)(A) The commissioner shall select an individual to serve as the ~~assistant commissioner~~ Assistant Director of the ~~division~~ Division of Public School Accountability, and the ~~assistant commissioner~~ Assistant Director of the Division of Public School Acountability shall serve at the pleasure of

the commissioner.

(B) The commissioner may reassign as necessary appropriate staff for the ~~division~~ Division of Public School Accountability sufficient to fulfill all obligations for monitoring and reporting in the ~~division~~ Division of Public School Accountability.

(2) The person selected as the ~~assistant commissioner~~ Assistant Director of the Division of Public School Accountability shall:

(A) Be a person of good moral character and qualified technically and by experience to direct the work of the ~~division~~ Division of Public School Accountability;

(B) Hold a master's degree or a higher level degree from an accredited institution; and

(C) Have ten (10) years of experience in an administrative, supervisory, or management position.

(3) No person who is related within the fourth degree of consanguinity or affinity to any member of the State Board of Education or to the commissioner shall be eligible to serve as the ~~assistant commissioner~~ Assistant Director of the Division of Public School Accountability.

(e) With guidance and approval from the commissioner, the ~~assistant commissioner~~ Assistant Director of the Division of Public School Accountability shall be responsible for hiring all employees of the ~~division~~ Division of Public School Accountability.

(f) The ~~division~~ Division of Public School Accountability shall have the following responsibilities:

(1) To monitor schools for compliance with:

(A) State and federal regulations;

(B) Legislative acts and court-ordered mandates;

(C) All standards of learning and accreditation as established by the state board; and

(D) All rules and regulations as established by the state board;

(2) To coordinate the analysis, dissemination, and reporting of all state-mandated assessment information;

(3) To coordinate the implementation and administration of:

(A) Longitudinal tracking and trend data collection as established by the state board for the purposes of improving student and

school performance, ensuring mastery of the curriculum, and providing comparisons between students within Arkansas and with students in other states;

(B) Value-added assessments as established by the state board; and

(C) The annual school performance reports as established by the state board;

(4) To administer all monitoring and compliance activities dealing with academic and fiscal accountability as established by the state board; and

(5) To work with program approval and licensure sections of the ~~Department of Education~~ Division of Elementary and Secondary Education, the ~~Department~~ Division of Higher Education, the ~~Department~~ Division of Career and Technical Education, and the individual colleges to provide information that will contribute to reasonable, equitable, and excellent preparation of licensed personnel in public and private institutions of higher education.

(g)(1) The ~~division~~ Division of Public School Accountability shall provide annual reports of school performance or compliance to the Joint Interim Oversight Committee on Education Reform, the House Committee on Education, and the Senate Committee on Education.

(2) A preliminary report shall be provided by January 1 of each year, and a follow-up report that includes information regarding on-site visits shall be filed by June 1 of each year.

SECTION 155. Arkansas Code § 6-15-202(a)(1), concerning accreditation and development of regulations and standards by the State Board of Education, is amended to read as follows:

(a)(1) The State Board of Education is authorized and directed to develop comprehensive regulations, criteria, and standards to be used by the state board and the ~~Department of Education~~ Division of Elementary and Secondary Education in the accreditation of school programs in elementary and secondary public schools in this state.

SECTION 156. Arkansas Code § 6-15-202(b)(2)(B)(iii), concerning accreditation and development of regulations and standards by the State Board of Education, is amended to read as follows:

(iii) The ~~department~~ division verifies in writing to the state board that all of the curriculum frameworks for the two (2) separate courses are included in the proposed combined or embedded course; and

SECTION 157. Arkansas Code § 6-15-202(e)(1), concerning accreditation and development of regulations and standards by the State Board of Education, is amended to read as follows:

(e)(1) The ~~department~~ division shall conduct a Standards for Accreditation of Arkansas Public Schools and School Districts review for each public school or public school district in the state:

(A) Identified as being at a high risk of failing to meet the standards; or

(B) Whenever the ~~department~~ division or state board deems necessary.

SECTION 158. The introductory language of Arkansas Code § 6-15-202(f), concerning accreditation and development of regulations and standards by the State Board of Education, is amended to read as follows:

(f) The Commissioner of Elementary and Secondary Education may require that the superintendent of each school district file a written statement with the ~~department~~ division as evidence that the school district for which the superintendent is responsible has complied with any or all of the following statutory requirements:

SECTION 159. Arkansas Code § 6-15-202(f)(51), concerning accreditation and development of regulations and standards by the State Board of Education, is amended to read as follows:

(51) Any other statutory mandate for school districts identified by the ~~department~~ division as relevant to the Standards for Accreditation of Arkansas Public Schools and School Districts.

SECTION 160. Arkansas Code § 6-15-202(g) and (h), concerning accreditation and development of regulations and standards by the State Board of Education, are amended to read as follows:

(g) In addition to any written statement of assurance required under

subsection (f) of this section, the ~~department~~ division may conduct an on-site review of a school district to confirm that a school district has complied with any statutory requirements listed in subsection (f) of this section or any other matter related to the standards.

(h) The ~~department~~ division shall establish a form for the written statement of assurance required under subsection (f) of this section and shall establish a date or dates by which school districts shall submit the written statement of assurance required under subsection (f) of this section.

SECTION 161. The introductory language of Arkansas Code § 6-15-202(i), concerning accreditation and development of regulations and standards by the State Board of Education, is amended to read as follows:

(i) If any superintendent fails to file a written statement of assurance as required by the commissioner under subsection (f) of this section by the date established by the ~~department~~ division or knowingly submits false information or if the ~~department~~ division determines the information in the statement is inaccurate or incomplete, the ~~department~~ division may:

SECTION 162. Arkansas Code § 6-15-203(a), concerning notification of school for failure to meet standards for accreditation and appeal, are amended to read as follows:

(a)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education annually shall notify all schools or school districts failing to meet standards for accreditation for elementary and secondary schools not later than May 1 of each year of this determination.

(2)(A) However, at any time the ~~department~~ division may immediately notify a public school or school district failing to meet standards for accreditation for elementary and secondary schools when the failure is discovered by the ~~department~~ division under § 6-15-202(i).

(B) A public school or school district notified by the ~~department~~ division of the public school's or school district's failure to meet the standards for accreditation due to actions taken under § 6-15-202(i) shall have the same period of time to appeal to the State Board of Education as provided under subdivision (b)(3) of this section.

SECTION 163. Arkansas Code § 6-15-203(b)(1), concerning notification of school for failure to meet standards for accreditation and appeal, are amended to read as follows:

(b)(1) In the event that a school district affected by this subchapter believes the ~~department~~ division has improperly determined that a school or school district fails to meet the standards for accreditation, the school district shall have a right of appeal thereafter to the state board.

SECTION 164. Arkansas Code § 6-15-206(a), concerning a school's subsequent failure to meet standards for accreditation, is amended to read as follows:

(a) Any school or school district which fails to meet current standards for accreditation as determined by the ~~Department of Education~~ Division of Elementary and Secondary Education shall be classified as probationary.

SECTION 165. Arkansas Code § 6-15-206(b)(2), concerning a school's subsequent failure to meet standards for accreditation, is amended to read as follows:

(2) The ~~department~~ division shall prepare and promulgate regulations and guidelines for the maximum times allowable for correction of any violations of standards, provided no probationary status violation may exist for more than two (2) consecutive school years.

SECTION 166. Arkansas Code § 6-15-206(c)(2), concerning a school's subsequent failure to meet standards for accreditation, is amended to read as follows:

(2) The ~~department~~ division shall review annually the educational standards of school districts for the purpose of determining whether standards for accreditation of the schools therein are in compliance with current state standards for accreditation.

SECTION 167. Arkansas Code § 6-15-206(d)(1), concerning a school's subsequent failure to meet standards for accreditation, is amended to read as follows:

(d)(1) The ~~department~~ division shall conduct a review of each school's

compliance if the ~~department~~ division has reason to believe that the school district or any school within the public school district has fallen below standards for accreditation.

SECTION 168. Arkansas Code § 6-15-206(e), concerning a school's subsequent failure to meet standards for accreditation, is amended to read as follows:

(e) The ~~department~~ division shall cooperate with local schools and school authorities in order to assist affected school districts and schools therein to achieve compliance with the standards for accreditation as provided in this subchapter.

SECTION 169. Arkansas Code § 6-15-213(3) and (4), concerning courses that should be considered as taught under certain circumstances, are amended to read as follows:

(3) The school district provides written proof, as required by the ~~Department of Education~~ Division of Elementary and Secondary Education, that the school district had the course scheduled to be taught on the school district's master course schedule during the entire time the course was required to be taught;

(4) The school district provides written proof, as required by the ~~department~~ Division of Elementary and Secondary Education, that the school district had a properly licensed teacher employed and able to teach the required course during the entire time the course was required to be taught on site at the school district, by independent study, or has access to the course via distance education approved by the ~~department~~ Division of Elementary and Secondary Education, and the course was listed on the school district's master course schedule; and

SECTION 170. Arkansas Code § 6-15-214(b)(1), concerning advanced placement courses counted as core curriculum courses, is amended to read as follows:

(b)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education acknowledges that the rigor and level of difficulty of advanced placement courses exceed the requirements of regular courses.

SECTION 171. Arkansas Code § 6-15-214(d), concerning advanced placement courses counted as core curriculum courses, is amended to read as follows:

(d)(1) The public school district shall notify the ~~department~~ division after registration in the spring before the beginning of the new school year and immediately after the school year begins if no students enrolled in the required course and the public school district will seek to meet the standards for accreditation using the advanced placement course.

(2) Upon receiving the public school district notification and after spring registration, the ~~department~~ division shall permit the public school district to meet the standards for accreditation by teaching the advanced placement course in place of the required course.

SECTION 172. Arkansas Code § 6-15-214(f), concerning advanced placement courses counted as core curriculum courses, is amended to read as follows:

(f) The ~~department~~ division shall establish procedures to ensure that no student is coerced into taking an advanced placement course for the purpose of meeting the standards for accreditation.

SECTION 173. Arkansas Code § 6-15-215(b)(2), concerning the definition of "Smart Core" under the Arkansas Smart Core Incentive Funding Program, is amended to read as follows:

(2) “Smart Core” means the curriculum established by the ~~Department of Education~~ Division of Elementary and Secondary Education under the Standards for Accreditation of Arkansas Public Schools and School Districts that is part of Smart Future, a state initiative focused on improving Arkansas public high schools for all students; and

SECTION 174. Arkansas Code § 6-15-215(e), concerning the Arkansas Smart Core Incentive Funding Program, is amended to read as follows:

(e)(1) Subject to an appropriation and available funding for the program, the ~~department~~ division shall pay incentive funding to a school district under this section based on an annual percentage of Smart Core graduates from a public high school in the school district.

(2)(A) The ~~department~~ division shall make the calculation based

on a student record analysis conducted annually by the ~~department~~ division beginning with the graduating class of 2010.

(B) The ~~department~~ division shall exclude from the student record analysis a student with an individualized education program that does not require a student to complete the Smart Core curriculum.

SECTION 175. The introductory language of Arkansas Code § 6-15-215(f)(1), concerning the Arkansas Smart Core Incentive Funding Program, is amended to read as follows:

(f)(1) By June 30 of each year, the ~~department~~ division shall pay to a school district incentive funding under the program as follows:

SECTION 176. Arkansas Code § 6-15-215(f)(2), concerning the Arkansas Smart Core Incentive Funding Program, is amended to read as follows:

(2) The ~~department~~ division shall not pay incentive funding to a school district for a public high school in which less than ninety percent (90%) of its graduates complete the Smart Core curriculum.

SECTION 177. Arkansas Code § 6-15-216(a)(1), concerning flexibility in awarding course credit, is amended to read as follows:

(a)(1) Beginning in the 2018-2019 school year, a public school district may submit a plan for approval to the ~~Department of Education~~ Division of Elementary and Secondary Education to award units of high school course credit based on a demonstration of subject matter competency instead of, or in combination with, completing hours of classroom instruction.

SECTION 178. Arkansas Code § 6-15-216(c), concerning flexibility in awarding course credit, is amended to read as follows:

(c) The ~~department~~ division may promulgate rules to implement this section, including without limitation guidelines to assist public school districts in transitioning to awarding credits as provided under this section.

SECTION 179. Arkansas Code § 6-15-503(c), concerning prerequisites to home schooling, is amended to read as follows:

(c) Each local school district shall report the statistical data

required by this section to the ~~Department of Education~~ Division of Elementary and Secondary Education each year.

SECTION 180. Arkansas Code § 6-15-503(e), concerning prerequisites to home schooling, is amended to read as follows:

(e) The ~~department~~ division and the student's local school district shall not create additional criteria or require additional information for a student to attend a home school beyond that provided in this section.

SECTION 181. Arkansas Code § 6-15-902(c)(3)(B)(i), concerning grading scales, exemptions, and special education classes, is amended to read as follows:

(B)(i) If a local school district board of directors adopts a policy as set forth in subdivision (c)(3)(A) of this section, the school district must apply to the ~~Department of Education~~ Division of Elementary and Secondary Education through the ~~Assistant Commissioner for~~ Assistant Director of the Division of Public School Accountability for approval of courses to be designated "concurrent enrollment college courses".

SECTION 182. Arkansas Code § 6-15-1003(c)(2), concerning academically competent students, is amended to read as follows:

(2) School districts, schools, and students shall participate in the state assessments in the basic core of knowledge and skills as defined by the ~~Department of Education~~ Division of Elementary and Secondary Education in the Arkansas Educational Support and Accountability Act, § 6-15-2901 et seq.

SECTION 183. Arkansas Code § 6-15-1004(a)(2), concerning qualified teachers in every public school room, is amended to read as follows:

(2) If there is no assessment available under subdivision (a)(1) of this section for a new licensure area for subject matter content, the ~~Department of Education~~ Division of Elementary and Secondary Education may request that the state board approve an alternative method of demonstrating subject matter content competency.

SECTION 184. Arkansas Code § 6-15-1004(c)(2)(A)(ii) and (iii), concerning qualified teachers in every public school room, are amended to

read as follows:

(ii) Part of the requirements for the teacher to obtain additional licensure in a subject matter that has been designated by the ~~Department of Education~~ Division of Elementary and Secondary Education as having a critical shortage of teachers; or

(iii) Otherwise approved by the ~~department~~ Division of Elementary and Secondary Education under subdivision (c)(2)(B) of this section as a graduate-level course eligible for professional development credit.

SECTION 185. Arkansas Code § 6-15-1004(d)(3), concerning qualified teachers in every public school room, is amended to read as follows:

(3) A technical permit issued in cooperation with the ~~Department~~ Division of Career and Technical Education;

SECTION 186. Arkansas Code § 6-15-1005(g)(4)(B), concerning safe, equitable, and accountable public schools, is amended to read as follows:

(B) Schools reaching predetermined high levels of achievement will be granted charter status with approval of the charter petition by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 187. Arkansas Code § 6-15-1006 is amended to read as follows:

6-15-1006. Assistance and support.

(a)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education will be structured to provide leadership, service, and support to public schools.

(2) ~~Department~~ Division professional staff will demonstrate mastery of knowledge in learning theory, best educational practices, resource utilization, research and data analysis, school law, instructional leadership, and school administration.

(b)(1) ~~Department~~ Division staff will conduct, sponsor, participate in, and support continuing education and professional development.

(2) The continuing education and professional development will be based on overall organizational improvement, performance evaluation results, statewide student achievement results, and current educational

research and practice.

(c)(1) The ~~department~~ division will provide leadership in marshalling support for a quality and equitable educational system in the state.

(2) ~~Department~~ Division resources will be committed to supporting policy development and procedures that enable the Governor, the General Assembly, the State Board of Education, and business and professional organizations to work together in a positive and consistent manner to improve education in Arkansas.

SECTION 188. Arkansas Code § 6-15-1101(a), concerning legislative findings regarding attaching seals to high school transcripts and diplomas, is amended to read as follows:

(a) The General Assembly hereby recognizes and acknowledges that in recent years a high school diploma has lost credibility as a warranty that the recipient has the basic knowledge and skills necessary for either an entry-level job or for postsecondary education. The General Assembly further recognizes that the State Board of Education, the ~~Department of Education~~ Division of Elementary and Secondary Education, and local school districts have worked diligently to establish and implement a core curriculum in Arkansas secondary schools. Students who complete the core curriculum with a satisfactory grade point average should receive recognition for both perseverance and a job well done. It is the purpose of this legislation to both further that recognition and to increase the confidence of Arkansans in the value of diplomas awarded by the state's public schools.

SECTION 189. Arkansas Code § 6-15-1301(a), concerning the creation, composition, powers and duties of the Department of Education, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education is directed to create a Safe Schools Committee.

SECTION 190. Arkansas Code § 6-15-1301(b)(1)(D), concerning the creation, composition, powers and duties of the Department of Education, is amended to read as follows:

(D) A staff member of the ~~department~~ division appointed by the Commissioner of Elementary and Secondary Education;

SECTION 191. Arkansas Code § 6-15-1402(a), concerning the purpose, report, confidentiality, and rules of public schools, is amended to read as follows:

(a)(1) In order to generally improve public school accountability, to provide benchmarks for measuring individual school improvement, and to empower parents and guardians of children enrolled in Arkansas public schools by providing them with the information to judge the quality of their schools, the ~~Department of Education~~ Division of Elementary and Secondary Education shall annually prepare and publish a school performance report for each individual public school in the state, including the Arkansas School for the Deaf, the Arkansas School for the Blind, and the Arkansas School for Mathematics, Sciences, and the Arts, and shall distribute the report to the House Committee on Education and the Senate Committee on Education no later than April 15 each year.

(2) The school performance report for each school shall be made available to every parent or guardian of a child in kindergarten through grade twelve (K-12) in the public schools of Arkansas by posting the school performance report for each school on the website of the ~~department~~ division and the website of the school district in which the public schools addressed in the school performance report are located no later than April 15 each year.

SECTION 192. Arkansas Code § 6-15-1402(b)(1)(A), concerning the purpose, report, confidentiality, and rules of public schools, is amended to read as follows:

(b)(1)(A) The school performance report shall be based on reliable statistical information uniformly required to be collected and submitted by each local school district to the ~~department~~ division and shall be published in a format that can be easily understood by parents or guardians who are not professional educators.

SECTION 193. Arkansas Code § 6-15-1402(b)(1)(C), concerning the purpose, report, confidentiality, and rules of public schools, is amended to read as follows:

(C) The ~~department~~ division may contract with individuals

or businesses knowledgeable in the areas of graphic and computer design to ensure that the school performance reports required by this subchapter are published in a format that encourages their utilization by the citizens of the state.

SECTION 194. The introductory language of Arkansas Code § 6-15-1402(d), concerning the purpose, report, confidentiality, and rules of public schools, is amended to read as follows:

(d) The ~~department~~ division is encouraged to:

SECTION 195. Arkansas Code § 6-15-1402(d)(1), concerning the purpose, report, confidentiality, and rules of public schools, is amended to read as follows:

(1) Include explanatory material regarding efforts to improve the state's public schools on the website of the ~~department~~ division with school performance reports; and

SECTION 196. Arkansas Code § 6-15-1402(f)(1), concerning the purpose, report, confidentiality, and rules of public schools, is amended to read as follows:

(f)(1) The ~~department~~ division shall not disclose parent or guardian names, addresses, or other identifying information under any circumstances.

SECTION 197. Arkansas Code § 6-15-1402(h), concerning the purpose, report, confidentiality, and rules of public schools, is amended to read as follows:

(h) The ~~department~~ division may promulgate rules necessary to carry out the purposes of this subchapter.

SECTION 198. Arkansas Code § 6-15-1504(a), concerning review of the Arkansas Academic Content Standards and Curriculum Framework by the Department of Education, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall review the Arkansas Academic Content Standards and Curriculum Framework process plan on its State Board of Education-approved revision cycle and report to the State Board of Education annually.

SECTION 199. Arkansas Code § 6-15-1505(b)-(d), concerning school district implementation, is amended to read as follows:

(b) The superintendent of each school district shall provide to the ~~Department of Education~~ Division of Elementary and Secondary Education, by October 1 of each year following the adoption of the plan under subsection (a) of this section, a written statement of assurance that the content of each class and subject area, as required by the Standards for Accreditation of Arkansas Public Schools and School Districts regardless of levels, is aligned to content standards and curriculum frameworks developed by the state board in the plan.

(c) The ~~department~~ division shall monitor, during the standards review visit, documentation related to the plan.

(d) If the ~~department~~ division determines that a school district has failed to align the content of each class and subject area as required by the state board to content standards and curriculum frameworks developed by the state board, the ~~department~~ division shall:

(1) Note the failure to comply in the annual school performance report under § 6-15-1402; and

(2) Cite the failure to comply of each school on the Standards for Accreditation of Arkansas Public Schools and School Districts Annual Report.

SECTION 200. Arkansas Code § 6-15-1601(g)(2)-(4), concerning the establishment and members of the Commission on Closing the Achievement Gap in Arkansas, are amended to read as follows:

(2) Monitor the ~~Department of Education's~~ Division of Elementary and Secondary Education's efforts to comply with federal guidelines on improving the academic achievement of the disadvantaged, specifically including without limitation the Elementary and Secondary Education Act of 1965, Pub. L. No. 89-10, as reauthorized by the Every Student Succeeds Act, Pub. L. No. 114-95;

(3)(A) Monitor the ~~department's~~ division's identification of population groups to be motivated in closing the achievement gap efforts.

(B) The commission may expand the role and scope of the commission to cover specific population groups as identified by the

~~department~~ division as target groups for closing the achievement gaps;

(4) Receive national school lunch data and reports biennially from the ~~department~~ division;

SECTION 201. Arkansas Code § 6-15-1601(g)(6)(C), concerning the establishment and members of the Commission on Closing the Achievement Gap in Arkansas, is amended to read as follows:

(C) A review of policies and programs approved by the ~~department~~ division for national school lunch expenditures on closing the achievement gap;

SECTION 202. Arkansas Code § 6-15-1601(g)(6)(H), concerning the establishment and members of the Commission on Closing the Achievement Gap in Arkansas, is amended to read as follows:

(H) Suggested policy changes to improve the achievement gap at the legislative, ~~department~~ division, school district, and other levels; and

SECTION 203. The introductory language of Arkansas Code § 6-15-1601(h), concerning the establishment and members of the Commission on Closing the Achievement Gap in Arkansas, is amended to read as follows:

(h) At the discretion of the Commissioner of Elementary and Secondary Education, the state shall provide resources necessary for the following:

SECTION 204. Arkansas Code § 6-15-1601(k)(1), concerning the establishment and members of the Commission on Closing the Achievement Gap in Arkansas, is amended to read as follows:

(k)(1) The ~~department~~ division shall provide meeting space and clerical support as needed by the commission.

SECTION 205. Arkansas Code § 6-15-1702(b)(5)(B)(ii)(b), concerning a parental involvement plan, is amended to read as follows:

(b) The use of and access to ~~Department of Education~~ Division of Elementary and Secondary Education website tools for parents;

SECTION 206. Arkansas Code § 6-15-1702(b)(5)(B)(ii)(d), concerning a parental involvement plan, is amended to read as follows:

(d) Other strategies or curricula developed or acquired by the school district for at-home parental instruction approved by the ~~department~~ division; and

SECTION 207. Arkansas Code § 6-15-1704(a)(1), concerning monitoring and annual review of parental involvement plans, is amended to read as follows:

(1) File a copy of the plan with the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 208. The introductory language of Arkansas Code § 6-15-1704(b)(1)(A), concerning monitoring and annual review of parental involvement plans, is amended to read as follows:

(b)(1)(A) The ~~department~~ division shall:

SECTION 209. The introductory language of Arkansas Code § 6-15-1704(b)(1)(B), concerning monitoring and annual review of parental involvement plans, is amended to read as follows:

(B) Periodically on a rotating schedule, the ~~department division~~ shall monitor each school district's plan to:

SECTION 210. The introductory language of Arkansas Code § 6-15-1704(b)(1)(C), concerning monitoring and annual review of parental involvement plans, is amended to read as follows:

(C) The ~~department~~ division shall place priority for monitoring under subdivision (b)(1)(B) of this section on school districts that have been identified as being in:

SECTION 211. The introductory language of Arkansas Code § 6-15-1704(b)(2), concerning monitoring and annual review of parental involvement plans, is amended to read as follows:

(2) By January 1 of each year, the ~~department~~ division shall provide any recommendations in writing to a school district:

SECTION 212. Arkansas Code § 6-15-1704(b)(3), concerning monitoring and annual review of parental involvement plans, is amended to read as follows:

(3) The ~~department~~ division shall allow the school district an opportunity to implement the ~~department's~~ division's recommendations.

SECTION 213. The introductory language of Arkansas Code § 6-15-1705, concerning the incorporation of parental involvement into teacher education programs, is amended to read as follows:

The ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education shall collaborate with institutions of higher education to incorporate into teacher and administrator education programs instruction regarding:

SECTION 214. Arkansas Code § 6-15-1901(c), concerning the establishment of a Delta Student Academic Success Plan, is amended to read as follows:

(c) The Chancellor of the University of Arkansas at Pine Bluff may enter into an agreement with the superintendents of the school districts within Arkansas, Chicot, Drew, Jefferson, and Lincoln counties to implement the plan to the extent that the plan does not conflict with Arkansas law or with the standards set forth by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 215. Arkansas Code § 6-15-2006(a)(1)(C)(ii), concerning an annual report by school districts, is amended to read as follows:

(ii) The ~~Department of Education~~ Division of Elementary and Secondary Education may promulgate rules to implement this section.

SECTION 216. Arkansas Code § 6-15-2008, is amended to read as follows:

6-15-2008. Technical assistance.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall provide technical assistance as needed to aid school districts in administering this subchapter.

(b)(1) At least semiannually, the ~~department~~ division shall provide a

report to the House Committee on Education and the Senate Committee on Education setting forth the school districts requesting assistance, the date of the requests, and the dates and actions taken.

(2) The ~~department~~ division shall further report the results of the action taken or assistance provided.

SECTION 217. Arkansas Code § 6-15-2101(a)(1) and (2), concerning school rating systems and annual reports, are amended to read as follows:

(a)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall prepare annual reports of the results of the statewide assessment program that describe student achievement in each school district and each school in the state and the school performance category levels under § 6-15-2103.

(2) The ~~department~~ division shall prescribe the design and content of these reports that shall include without limitation descriptions of achievement of all schools participating in any assessment program and all of their major student populations as determined by the ~~department~~ division, provided that the provisions of § 6-15-2909 pertaining to student records apply to this section.

SECTION 218. Arkansas Code § 6-15-2101(b)(1), concerning school rating systems and annual reports, is amended to read as follows:

(b)(1) The ~~department~~ division shall provide information regarding performance of students and educational programs as required under §§ 6-15-2907 and 6-15-2301 and implement a system of school reports as required by statute and State Board of Education rule.

SECTION 219. Arkansas Code § 6-15-2104 is amended to read as follows:

6-15-2104. Mobility.

The ~~Department of Education~~ Division of Elementary and Secondary Education shall study the effects of mobility on the performance of highly mobile students and recommend programs to improve the performance of such students.

SECTION 220. Arkansas Code § 6-15-2105(b)(1), concerning school rating systems, school ratings and performance category level measurement, and

publication, is amended to read as follows:

(b)(1) Each school's designation or rating shall be published annually by the ~~Department of Education~~ Division of Elementary and Secondary Education and by the school district and shall be available on the ~~department's~~ division's website.

SECTION 221. Arkansas Code § 6-15-2105(b)(3)(A), concerning school rating systems, school ratings and performance category level measurement, and publication, is amended to read as follows:

(A) "A" for schools that are rated "exemplary" by the ~~department~~ Division of Elementary and Secondary Education, Level 5 under § 6-15-2102 [repealed], or Level 5 under § 6-15-2103;

SECTION 222. Arkansas Code § 6-15-2107(c)(2), concerning the Arkansas School Recognition Program, is amended to read as follows:

(2) The ~~Department of Education~~ Division of Elementary and Secondary Education may disburse available performance-based funding appropriated by the General Assembly on a pro rata basis.

SECTION 223. Arkansas Code § 6-15-2108(d), concerning school rating systems, is amended to read as follows:

(d) The ~~Department of Education~~ Division of Elementary and Secondary Education shall promulgate rules to implement this section.

SECTION 224. The introductory language of Arkansas Code § 6-15-2202(c), concerning access to public school information on school improvement plans, is amended to read as follows:

(c) Not less than annually, the ~~Department of Education~~ Division of Elementary and Secondary Education shall monitor compliance with the requirements of this section when the ~~department~~ division:

SECTION 225. Arkansas Code § 6-15-2202(d)(1), concerning access to public school information on school improvement plans, is amended to read as follows:

(d)(1) The ~~department~~ division shall report a failure to comply with this section to the State Board of Education.

SECTION 226. Arkansas Code § 6-15-2301(a)(2), concerning best financial management practices for school districts, standards, reviews, and designation of school districts, is amended to read as follows:

(2)(A) The ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Division of~~ Arkansas Legislative Audit are directed to develop a system for reviewing the financial management practices of school districts.

(B) In this system, the ~~division~~ Arkansas Legislative Audit shall assist the ~~department~~ Division of Elementary and Secondary Education in examining school district operations to determine whether they meet "best financial management code practices".

SECTION 227. Arkansas Code § 6-15-2301(b)(1) and (2), concerning best financial management practices for school districts, standards, reviews, and designation of school districts, are amended to read as follows:

(b)(1) The best financial management practices adopted by the State Board of Education may be updated periodically after consultation with the Legislative Council, the Governor, the ~~department~~ Division of Elementary and Secondary Education, school districts, and the Arkansas Legislative Audit.

(2) The ~~department~~ Division of Elementary and Secondary Education shall submit to the state board for review and possible adoption proposed revisions to the best financial management practices adopted by the state board and reviewed by the Legislative Council.

SECTION 228. Arkansas Code § 6-15-2301(c)(1), concerning best financial management practices for school districts, standards, reviews, and designation of school districts, is amended to read as follows:

(c)(1) The ~~department~~ Division of Elementary and Secondary Education shall conduct the reviews or contract with a private firm selected through a formal request-for-proposal process to perform the review.

SECTION 229. Arkansas Code § 6-15-2301(d), concerning best financial management practices for school districts, standards, reviews, and designation of school districts, is amended to read as follows:

(d) The state board shall consult with the ~~department~~ Division of

Elementary and Secondary Education throughout the best practices review process to ensure that the technical expertise of the ~~department~~ Division of Elementary and Secondary Education benefits the review process and supports the school districts before, during, and after the review.

SECTION 230. Arkansas Code § 6-15-2301(e)(3)(A), concerning best financial management practices for school districts, standards, reviews, and designation of school districts, is amended to read as follows:

(3)(A) The ~~department~~ Division of Elementary and Secondary Education shall prepare annual reports of the results of the best financial management practices reviews and shall post to its website the school and the school district financial grades.

SECTION 231. Arkansas Code § 6-15-2301(g), concerning best financial management practices for school districts, standards, reviews, and designation of school districts, is amended to read as follows:

(g) Subject to funding by the General Assembly, the ~~department~~ Division of Elementary and Secondary Education may contract with a private firm to conduct best financial management practices reviews.

SECTION 232. Arkansas Code § 6-15-2301(h), concerning best financial management practices for school districts, standards, reviews, and designation of school districts, is amended to read as follows:

(h)(1) Reviews shall be conducted by Arkansas Legislative Audit, the ~~department~~ Division of Elementary and Secondary Education, or the consultant.

(2)(A) Funds may be used for the cost of reviews by Arkansas Legislative Audit and private consultants contracted by the state board.

(B) Costs may include professional services, travel expenses of the ~~department~~ Division of Elementary and Secondary Education and of the staff of Arkansas Legislative Audit, and any other necessary expenses incurred as part of a best financial management practices review and as preapproved by the ~~department~~ Division of Elementary and Secondary Education.

SECTION 233. Arkansas Code § 6-15-2301(i)(1), concerning best financial management practices for school districts, standards, reviews, and

designation of school districts, is amended to read as follows:

(i)(1) A school district shall complete a self-assessment instrument provided by the ~~department~~ Division of Elementary and Secondary Education that indicates the school district's evaluation of its performance on each best practice.

SECTION 234. Arkansas Code § 6-15-2301(i)(2)(B), concerning best financial management practices for school districts, standards, reviews, and designation of school districts, is amended to read as follows:

(B) The completed self-assessment instrument and supporting documentation shall be submitted to the ~~department~~ Division of Elementary and Secondary Education no later than the date of commencement of the review as notified by the ~~department~~ Division of Elementary and Secondary Education.

SECTION 235. Arkansas Code § 6-15-2301(j), concerning best financial management practices for school districts, standards, reviews, and designation of school districts, is amended to read as follows:

(j) During the review, the ~~department~~ Division of Elementary and Secondary Education or the consultant conducting the review, if any, shall hold at least one (1) advertised public forum as part of the review in order to explain the best financial management practices review process and obtain input from students, parents or guardians, the business community, and other school district residents regarding their concerns about the operations and management of the school district.

SECTION 236. Arkansas Code § 6-15-2301(k)(2)(A), concerning best financial management practices for school districts, standards, reviews, and designation of school districts, is amended to read as follows:

(2)(A) The ~~department~~ Division of Elementary and Secondary Education shall issue a final report to the Legislative Council regarding the school district's use of the best financial management practices and cost savings recommendations within sixty (60) days after completing the reviews.

SECTION 237. Arkansas Code § 6-15-2301(l)(2), concerning best financial management practices for school districts, standards, reviews, and

designation of school districts, is amended to read as follows:

(2)(A) Within sixty (60) days after the receipt of the final report, the school district board of directors shall notify the state board and the ~~department~~ Division of Elementary and Secondary Education in writing of the implementation schedule for the action plan.

(B) The ~~department~~ Division of Elementary and Secondary Education shall contact the school district, assess the situation, and offer technical assistance, if needed.

SECTION 238. Arkansas Code § 6-15-2301(m)(1), concerning best financial management practices for school districts, standards, reviews, and designation of school districts, is amended to read as follows:

(1) No later than six (6) months after receipt of the final best financial practices report, the school district board of directors shall submit an initial status report to the Governor, the state board, Arkansas Legislative Audit, the ~~department~~ Division of Elementary and Secondary Education, and the Legislative Council on progress made toward implementing the action plan and whether changes have occurred in other areas of operation that would affect compliance with the best practices; and

SECTION 239. Arkansas Code § 6-15-2301(m)(2)(A), concerning best financial management practices for school districts, standards, reviews, and designation of school districts, is amended to read as follows:

(2)(A) A second status report shall be submitted by the school district to the Governor, the state board, Arkansas Legislative Audit, the ~~department~~ Division of Elementary and Secondary Education, and the Legislative Council no later than six (6) months after submission of the initial report, and every six (6) months thereafter, until status reports are not required.

SECTION 240. Arkansas Code § 6-15-2302(b)(1), concerning general business managers, is amended to read as follows:

(b)(1) On and after July 31, 2007, a general business manager for a public school district shall meet the minimum qualifications established by rule of the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 241. Arkansas Code § 6-15-2401(a)(1), concerning review of Arkansas Placement Status Reports and reports of students needing remediation, is amended to read as follows:

(a)(1) Representatives from the ~~Department~~ Division of Higher Education and the ~~Department of Education~~ Division of Elementary and Secondary Education shall meet with the respective chairs of the Senate Education Committee and the House Education Committee or their designees along with the selected superintendents, high school principals, and high school counselors one (1) time every biennium to review the Arkansas Placement Status Reports to determine whether any revisions in the format of the reports, the information that is reported, or the reporting process need to be made.

SECTION 242. Arkansas Code § 6-15-2501(b), concerning the creation of the Division of Education Renewal Zones, is amended to read as follows:

(b) The ~~division~~ Division of Education Renewal Zones shall be under the supervision of the State Board of Education.

SECTION 243. Arkansas Code § 6-15-2501(b)(3), concerning the creation of the Division of Education Renewal Zones, is amended to read as follows:

(3) The Director of the ~~Department~~ Division of Higher Education shall assign one (1) individual from the staff of the ~~Department~~ Division of Higher Education to serve as a liaison to the ~~division~~ Division of Education Renewal Zones.

SECTION 244. Arkansas Code § 6-15-2501(d)-(e), concerning the creation of the Division of Education Renewal Zones, is amended to read as follows:

(d) The ~~division~~ Division of Education Renewal Zones shall be responsible for developing guidelines for the approval of education renewal zone strategic plans and for the evaluation and reporting of education renewal zone activities.

(e) The ~~division~~ Division of Education Renewal Zones shall approve any education renewal zone strategic plan prior to the disbursal or annual renewal of funds to participating institutions of higher education.

SECTION 245. Arkansas Code § 6-15-2502(d)(1)(C)(ii), concerning the establishment, purpose, and organization of education renewal zones, is amended to read as follows:

(ii) The ~~division~~ Division of Education Renewal Zones shall give preference to qualified four-year higher education institutions located within the education service cooperative area.

SECTION 246. The introductory language of Arkansas Code § 6-15-2502(d)(1)(D), concerning the establishment, purpose, and organization of education renewal zones, is amended to read as follows:

(D) If there is no qualified four-year higher education institution located within the education service cooperative area, the ~~division~~ Division of Education Renewal Zones may select:

SECTION 247. Arkansas Code § 6-15-2502(d)(3)(B)(ii)-(iv), concerning the establishment, purpose, and organization of education renewal zones, is amended to read as follows:

(ii) A public school designated by the ~~Department of Education~~ Division of Elementary and Secondary Education as a school in school improvement or a school in a school district designated by the ~~department~~ Division of Elementary and Secondary Education as being in academic distress shall participate in an education renewal zone if requested to do so by the ~~department~~ Division of Elementary and Secondary Education, and the ~~division~~ Division of Education Renewal Zones working with the ~~department~~ Division of Elementary and Secondary Education shall establish priorities of establishing education renewal zones for those schools, which shall be contingent on the appropriation availability of funding for the renewal zones.

(iii) Acceptance or rejection of the application by a school for admittance to an education renewal zone shall be the responsibility of the ~~division~~ Division of Education Renewal Zones, with consultation from the higher education partner.

(iv) The ~~division~~ Division of Education Renewal Zones may include within an education renewal zone any school within the education service cooperative area provided that no more than ten (10) schools may participate in any single education renewal zone.

(v) The ~~division~~ Division of Education Renewal Zones may designate up to a maximum of three (3) education renewal zones within any single education service cooperative area.

SECTION 248. The introductory language of Arkansas Code § 6-15-2502(d)(3)(C), concerning the establishment, purpose, and organization of education renewal zones, is amended to read as follows:

(C) In designating education renewal zones and selecting schools for participation in a particular zone, the ~~division~~ Division of Education Renewal Zones shall give priority to schools that meet one (1) or more of the following criteria:

SECTION 249. Arkansas Code § 6-15-2502(d)(3)(C)(ii), concerning the establishment, purpose, and organization of education renewal zones, is amended to read as follows:

(ii) The school lies within a school district designated by the ~~department~~ Division of Elementary and Secondary Education as in academic distress or financial distress under the Arkansas Comprehensive Testing, Assessment, and Accountability Program;

SECTION 250. Arkansas Code § 6-15-2502(d)(4)(C), concerning the establishment, purpose, and organization of education renewal zones, is amended to read as follows:

(C) The ~~division~~ Division of Education Renewal Zones may designate up to a maximum of three (3) education renewal zones within any single education service cooperative area.

SECTION 251. Arkansas Code § 6-15-2502(d)(5)(B), concerning the establishment, purpose, and organization of education renewal zones, is amended to read as follows:

(B) Any two-year community or technical college, technical support organization, or other entity may participate in the education renewal zone at the discretion of the ~~division~~ Division of Education Renewal Zones and in collaboration with a designated higher education partner and a designated education service cooperative.

SECTION 252. Arkansas Code § 6-15-2504(d)(2)(B), concerning the development, provisions, and implementation of school improvement plans, is amended to read as follows:

(B) Funds received by school districts for the ~~Department of Education~~ Division of Elementary and Secondary Education Public School Fund Account for professional development may be used to provide funding for the professional development requirements of the education renewal zone school district partners;

SECTION 253. Arkansas Code § 6-15-2606(c)(1)(B), concerning a Rewarding Excellence in Achievement plan, is amended to read as follows:

(B) Locally selected and ~~Department of Education~~ Division of Elementary and Secondary Education-approved standardized assessment outcomes for students in each teacher's class may also be included;

SECTION 254. Arkansas Code § 6-15-2606(c)(2)(B), concerning a Rewarding Excellence in Achievement plan, is amended to read as follows:

(B) Locally selected and ~~Department of Education-approved~~ Division of Elementary and Secondary Education-approved standardized assessment outcomes may also be included; and

SECTION 255. Arkansas Code § 6-15-2608(a), concerning the evaluation of participants in the Rewarding Excellence in Achievement plan, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall commission an annual evaluation of the Rewarding Excellence in Achievement plan of each public school district and public charter school participating in the Rewarding Excellence in Achievement Program.

SECTION 256. The introductory language of Arkansas Code § 6-15-2701(c), concerning the closing of the achievement gap program, is amended to read as follows:

(c) The ~~Department of Education~~ Division of Elementary and Secondary Education shall:

SECTION 257. The introductory language of Arkansas Code § 6-15-

2701(d), concerning the closing of the achievement gap program, is amended to read as follows:

(d) The ~~department~~ division shall identify the chronically underperforming schools with the largest achievement gaps among students and give to those chronically underperforming schools the ~~department's~~ division's highest priority for:

SECTION 258. Arkansas Code § 6-15-2802(a), concerning rules for a school of innovation, is amended to read as follows:

(a) The Commissioner of Elementary and Secondary Education may approve a public school as a school of innovation for the purpose of transforming and improving the teaching and learning under § 6-15-2803.

SECTION 259. Arkansas Code § 6-15-2802(c)(9), concerning rules for a school of innovation, is amended to read as follows:

(9) Reporting and oversight responsibility of the school of innovation and the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 260. Arkansas Code § 6-15-2803(a), concerning school of innovation plans, is amended to read as follows:

(a) A school district shall submit its school of innovation plan, approved by the school district board of directors, to the Commissioner of Elementary and Secondary Education for approval to become a school of innovation.

SECTION 261. Arkansas Code § 6-15-2804(a)(7)(A), concerning a school of innovation, is amended to read as follows:

(7)(A) Provide instructional time that meets or exceeds the instructional time requirement adopted by the state board unless granted an exception by the Commissioner of Elementary and Secondary Education.

SECTION 262. Arkansas Code § 6-15-2804(a)(8), concerning a school of innovation, is amended to read as follows:

(8) Provide data requested by the ~~Department of Education~~ Division of Elementary and Secondary Education to generate reports;

SECTION 263. Arkansas Code § 6-15-2904 is amended to read as follows:

6-15-2904. Responsibility of ~~Department of Education~~ Division of Elementary and Secondary Education.

The ~~Department of Education~~ Division of Elementary and Secondary Education shall develop and implement a comprehensive accountability system for Arkansas public schools and school districts that:

(1) Establishes clear academic standards that are periodically reviewed and revised;

(2) Maintains a statewide student assessment system that includes a variety of assessment measures;

(3) Assesses whether all students have equitable access to excellent educators;

(4) Establishes levels of support for public school districts; and

(5) Maintains information systems composed of performance indicators that allow the ~~department~~ division to identify levels of public school district support and generate reports for the public.

SECTION 264. Arkansas Code § 6-15-2906(a)(1), concerning academic standards established by the Department of Education, is amended to read as follows:

(a)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall establish academic standards that define what students shall know and be able to demonstrate in each content area.

SECTION 265. Arkansas Code § 6-15-2906(b), concerning academic standards established by the Department of Education, is amended to read as follows:

(b) The ~~department~~ division shall establish a schedule for periodic review and revision of academic standards to ensure that Arkansas academic standards are rigorous and prepare students for college, career, and community engagement.

SECTION 266. The introductory language of Arkansas Code § 6-15-2906(c), concerning academic standards established by the Department of

Education, is amended to read as follows:

(c) The ~~department~~ division shall include, at a minimum, the following elements in the periodic review and revision of Arkansas academic standards:

SECTION 267. The introductory language of Arkansas Code § 6-15-2907(a), concerning the statewide student assessment system, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall implement a statewide student assessment system to be administered by Arkansas public schools on a schedule determined by the State Board of Education that includes the following components:

SECTION 268. Arkansas Code § 6-15-2907(b), concerning the statewide student assessment system, is amended to read as follows:

(b) At the direction of the state board, the ~~department~~ division shall cause assessment instruments to be administered at additional grade levels as necessary to measure educational achievement in the public schools of this state.

SECTION 269. The introductory language of Arkansas Code § 6-15-2907(h), concerning the statewide student assessment system, is amended to read as follows:

(h) The ~~department~~ division shall provide for statewide student assessments that are:

SECTION 270. Arkansas Code § 6-15-2908(a)(1), concerning the analyses of the statewide student assessment data, is amended to read as follows:

(a)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall provide analyses of data produced by statewide student assessments.

SECTION 271. The introductory language of Arkansas Code § 6-15-2908(a)(3), concerning the analyses of the statewide student assessment data, is amended to read as follows:

(3) The model used by the ~~department~~ division shall:

SECTION 272. Arkansas Code § 6-15-2909(a)(2), concerning the public availability of test instruments and scores, is amended to read as follows:

(2) Disseminated or otherwise made available to the public by a member of the State Board of Education, an employee of the ~~Department of Education~~ Division of Elementary and Secondary Education, a member of the board of directors of a school district, an employee of a school district, or any other person, except as permitted under the provisions of the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, as it existed on January 1, 2017.

SECTION 273. Arkansas Code § 6-15-2910(a), concerning recommended student performance levels by the Department of Education, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall recommend student performance levels for the statewide student assessment system to the State Board of Education for its approval.

SECTION 274. Arkansas Code § 6-15-2911(a)(1), concerning student-focused learning systems, is amended to read as follows:

(a)(1) ~~Beginning with the 2017-2018 school year, the Department of Education~~ The Division of Elementary and Secondary Education shall collaborate with public school districts to transition to a student-focused learning system to support success for all students.

SECTION 275. Arkansas Code § 6-15-2912(c)(1), concerning educator excellence, is amended to read as follows:

(1) Report the data needed by the ~~Department of Education~~ Division of Elementary and Secondary Education to identify and evaluate educator effectiveness in accordance with state and federal reporting requirements; and

SECTION 276. Arkansas Code § 6-15-2913(a)(1)(A)(i), concerning levels of school district support, is amended to read as follows:

(A)(i) The process for determining the differentiated levels of support that the ~~Department of Education~~ Division of Elementary and Secondary Education will provide to school districts.

SECTION 277. Arkansas Code § 6-15-2914(d)(1), concerning school-level improvement plans and school district support plans, is amended to read as follows:

(d)(1) Annually by September 1, a public school district receiving Level 2 — Collaborative, Level 3 — Coordinated, Level 4 — Directed, or Level 5 — Intensive support shall submit to the ~~Department of Education~~ Division of Elementary and Secondary Education a public school district support plan in accordance with rules of the State Board of Education.

SECTION 278. Arkansas Code § 6-15-2915(b), concerning school district classification as in need of Level 5 — intensive support and student transfer eligibility, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education shall notify in writing the public school district superintendent and the president of the public school district board of directors of the recommendation to the state board for classification as in need of Level 5 — Intensive support.

SECTION 279. Arkansas Code § 6-15-2915(c)(1), concerning school district classification as in need of Level 5 — intensive support and and student transfer eligibility, is amended to read as follows:

(c)(1) A public school district recommended for classification as in need of Level 5 — Intensive support may appeal to the state board by filing a written appeal with the Commissioner of Elementary and Secondary Education in accordance with the procedure established in the rules of the state board.

SECTION 280. Arkansas Code § 6-15-2916(1), concerning the State Board of Education's authority over a public school district classified as in need of Level 5 — intensive support, is amended to read as follows:

(1) Direct the Commissioner of Elementary and Secondary Education to conduct an analysis of all school district systems and make recommendations for action by the state board; and

SECTION 281. Arkansas Code § 6-15-2917(c)(1), concerning a public school district under the authority of the State Board of Education, is

amended to read as follows:

(c)(1) If the public school district has not demonstrated to the state board and the ~~Department of Education~~ Division of Elementary and Secondary Education that the public school district meets the criteria to exit Level 5 – Intensive support within five (5) years of the assumption of authority, the state board shall annex, consolidate, or reconstitute the public school district under § 6-13-1401 et seq. and this subchapter.

SECTION 282. The introductory language of Arkansas Code § 6-15-2918(a), concerning comprehensive information systems to be established by the Department of Education, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall:

SECTION 283. Arkansas Code § 6-15-2918(b) and (c), concerning comprehensive information systems to be established by the Department of Education, are amended to read as follows:

(b) The ~~department~~ division shall provide electronic resources for educators to support and augment student achievement, efficiency, and educational initiatives.

(c) The ~~department~~ division may contract with providers to collect, maintain, and analyze data and prepare reports.

SECTION 284. Arkansas Code § 6-16-104(b), concerning the basic language of instruction for public school branches, is amended to read as follows:

(b) It shall be the duty of the Commissioner of Elementary and Secondary Education, the Director of the ~~Department~~ Division of Career and Technical Education, and city superintendents to see that the provisions of this section are carried out.

SECTION 285. Arkansas Code § 6-16-122(c), concerning American heritage items in classrooms, is amended to read as follows:

(c) A copy of this section shall be distributed to the superintendent of each school district in the state by the ~~Department of Education~~ Division of Elementary and Secondary Education, whereupon the superintendents then

shall provide a copy to each teacher and each school district board member.

SECTION 286. Arkansas Code § 6-16-124(b)(3)(A), concerning the required teaching of Arkansas history as a social studies course, is amended to read as follows:

(3)(A) The ~~Department of Education~~ Division of Elementary and Secondary Education shall, in advance of the 2018-2019 school year, develop materials or units relating to Arkansas and the American Civil War.

SECTION 287. Arkansas Code § 6-16-126(b)(1)(A), concerning food handling safety and instructional materials, is amended to read as follows:

(b)(1)(A) The Commissioner of Elementary and Secondary Education shall provide a clearinghouse for instructional materials on food handling safety.

SECTION 288. Arkansas Code § 6-16-126(b)(2), concerning food handling safety and instructional materials, is amended to read as follows:

(2) The commissioner shall encourage collaborative efforts between the ~~Department of Education~~ Division of Elementary and Secondary Education and other agencies and organizations in accessing developmentally appropriate instructional materials on food handling safety.

SECTION 289. Arkansas Code § 6-16-127(c), concerning the creation of the Arkansas Foreign Language Teacher Training Program, is amended to read as follows:

(c) The ~~Department~~ Division of Higher Education, in consultation with the ~~Department of Education~~ Division of Elementary and Secondary Education and representatives of the state's foreign language educators, shall develop a request-for-proposals process whereby Arkansas institutions of higher education with teacher training programs may apply for funding, not to exceed three (3) years, to enhance their foreign language teacher training program.

SECTION 290. Arkansas Code § 6-16-127(d)(2)-(4), concerning the creation of the Arkansas Foreign Language Teacher Training Program, are amended to read as follows:

(2) All donations, grants, and appropriations received shall be accounted for by the ~~Department~~ Division of Higher Education.

(3) The Director of the ~~Department~~ Division of Higher Education may solicit and receive donations and grants for the purpose of making awards.

(4) The provisions of this section and § 6-16-128 shall be contingent on the appropriation and funding necessary to allow the ~~Department~~ Division of Higher Education to carry out the duties assigned it in this section and § 6-16-128.

SECTION 291. Arkansas Code § 6-16-128(b) and (c), concerning the Arkansas Early Grades Foreign Language Pilot Program, are amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education, in consultation with the ~~Department~~ Division of Higher Education and representatives of the state's foreign language educators, shall develop a request-for-proposals process whereby public schools serving students in kindergarten through grade six (K-6) may apply for funding, not to exceed three (3) years, to establish a foreign language training program, with an emphasis on Spanish.

(c)(1) The awards granted under the provisions of this section and § 6-16-127 may be funded by donations, grants, or legislative appropriation.

(2) The Commissioner of Elementary and Secondary Education may solicit and receive donations and grants for the purpose of making awards.

(3) All donations, grants, and appropriations received shall be accounted for by the ~~Department of Education~~ Division of Elementary and Secondary Education.

(4) The provisions of this section and § 6-16-127 shall be contingent on the appropriation and funding necessary to allow the ~~Department of Education~~ Division of Elementary and Secondary Education to carry out the duties assigned to it in this section and § 6-16-127.

SECTION 292. Arkansas Code § 6-16-130(a)(4)(A), concerning the required teaching of visual art or music in elementary school, is amended to read as follows:

(4)(A) The ~~Department of Education~~ Division of Elementary and Secondary Education shall provide a stipend of not less than one hundred dollars ($100) per class to each school for the purchase of necessary

supplies or equipment for the classes required by this subsection.

SECTION 293. Arkansas Code § 6-16-135(a), concerning personal and family finance standards to be developed by the Department of Education in consultation with the Department of Career Education, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education, in consultation with the ~~Department~~ Division of Career and Technical Education and subject to the approval of the State Board of Education, shall develop personal and family finance standards.

SECTION 294. Arkansas Code § 6-16-136(b)(1)(A), concerning the statewide coordination of distance learning, is amended to read as follows:

(b)(1)(A) The ~~Department of Education~~ Division of Elementary and Secondary Education shall promulgate the rules necessary for efficient scheduling of courses offered by public schools through distance learning technologies.

SECTION 295. Arkansas Code § 6-16-137(a)(1), concerning the definition of "content standards" under the requirements for a physical education credit for physical activity courses, is amended to read as follows:

(1) “Content standards” means those curriculum course content standards identified and set out in the ~~Department of Education~~ Division of Elementary and Secondary Education curriculum frameworks;

SECTION 296. Arkansas Code § 6-16-137(a)(4), concerning the definition of "statement of assurance" under the requirements for a physical education credit for physical activity courses, is amended to read as follows:

(4) “Statement of assurance” means a written statement to be filed by the superintendent or chief academic officer with the ~~department~~ Division of Elementary and Secondary Education by October 1 of each school year that ensures that the organized physical activity course is in compliance with the physical education course content standards and curriculum frameworks as required pursuant to § 6-15-1505 and subdivision (b)(2) of this section.

SECTION 297. The introductory language of Arkansas Code § 6-16-137(b)(2), concerning the requirements for a physical education credit for physical activity courses, is amended to read as follows:

(2) The organized physical activity course is verified by the superintendent of the school district or the chief administrative officer of an open-enrollment charter school who files a written statement of assurance with the ~~department~~ division by October 1 of the school year as required under § 6-15-1505 stating that:

SECTION 298. Arkansas Code § 6-16-137(f) and (g), concerning the requirements for a physical education credit for physical activity courses, are amended to read as follows:

(f)(1) If it is determined by the ~~department~~ division that any organized physical activity course allowed to be used for physical education credit by a student does not meet the ~~department's~~ division's physical education course content standards and curriculum frameworks, as required under this section, the school district or open-enrollment charter school may be cited or placed in probationary violation of the Standards for Accreditation of Arkansas Public Schools and School Districts under The Quality Education Act of 2003, § 6-15-201 et seq.

(2) If it is determined by the ~~department~~ division that a superintendent or chief academic officer or any other licensed personnel have knowingly provided false or misleading information in the statement of assurance required under this section, the state board may take appropriate action on the license of that individual pursuant to § 6-17-410.

(g) The ~~department~~ division is authorized to monitor, review documentation, request information, or require additional reports from public schools, school districts, open-enrollment charter schools, or school personnel to enforce compliance with the requirements of this section.

SECTION 299. Arkansas Code § 6-16-140(b) and (c), concerning vocational or technical course awards, are amended to read as follows:

(b) The ~~Department~~ Division of Career and Technical Education in cooperation with the ~~Department of Education~~ Division of Elementary and Secondary Education shall determine and issue the appropriate award to a student upon successful completion of the vocational or technical career

pathway or program of study.

(c) The ~~Department~~ Division of Career and Technical Education is authorized to promulgate rules as necessary for the implementation of this section.

SECTION 300. Arkansas Code § 6-16-144(b), concerning the Arts-Enriched Curriculum Program, is amended to read as follows:

(b) There is established the Arts-Enriched Curriculum Program, a five-year pilot program funded through grants administered by the ~~Department of Education~~ Division of Elementary and Secondary Education to implement an arts-enriched curriculum, training, and research at fifteen (15) schools over the five-year period.

SECTION 301. Arkansas Code § 6-16-144(f)(2)(B), concerning the Arts-Enriched Curriculum Program, is amended to read as follows:

(B) ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 302. Arkansas Code § 6-16-203 is amended to read as follows:

6-16-203. Readiness testing.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall develop guidelines for school districts to perform readiness testing for children who are entering kindergarten.

(b)(1) After the ~~department~~ division develops guidelines under subsection (a) of this section, each school district in the state shall conduct individual readiness testing on each child entering kindergarten and provide the results of the testing to the child's parents in a timely manner before the child's first day of school.

(2) The results of the testing that are provided to parents shall indicate in clear, understandable terminology the child's readiness for entering kindergarten.

SECTION 303. Arkansas Code § 6-16-305(b)-(e), concerning funds for research and demonstration centers and consultative services, are amended to read as follows:

(b) In such instances, however, the funds shall be appropriated for

the use of the State Board of Education and shall be subject to cooperative agreements in writing between the ~~Department of Education~~ Division of Elementary and Secondary Education and the sponsoring teacher training institutions or school districts.

(c) Available funds may be used by the ~~department~~ Division of Elementary and Secondary Education for the purpose of securing consultative services.

(d)(1) In that eventuality, the ~~department~~ Division of Elementary and Secondary Education shall certify that the expenditures are reasonable and are within customary amounts paid for the services.

(2) An annual report of the expenditures shall be filed with the Department of Finance and Administration, the Legislative Council, and the Legislative Joint Auditing Committee.

(e) Moreover, full-time state employees shall not be reimbursed for consultative services but may be reimbursed for expenses incurred in participating in these programs in instances where their services have been authorized by the Commissioner of Elementary and Secondary Education or the Director of the ~~Department~~ Division of Career and Technical Education.

SECTION 304. Arkansas Code § 6-16-310(a), concerning approval and funding for early childhood and kindergarten programs, is amended to read as follows:

(a) The expenditure of state or local tax funds, except as provided in § 6-16-305, shall be limited to program applications approved by the ~~Department of Education~~ Division of Elementary and Secondary Education for children five (5) years of age as defined elsewhere in this subchapter.

SECTION 305. Arkansas Code § 6-16-601(a)(4)(B), concerning the authority of postsecondary preparatory programs, is amended to read as follows:

(B) Designated by the ~~Department~~ Division of Higher Education; and

SECTION 306. Arkansas Code § 6-16-601(c), concerning the definition of "placement test" under the authority of postsecondary preparatory programs, is amended to read as follows:

(c) The ~~Department of Education~~ Division of Elementary and Secondary Education shall:

(1) Approve content guides for postsecondary preparatory programs with assistance from the ~~Department~~ Division of Higher Education; and

(2)(A) Approve or disapprove the annual application of a postsecondary preparatory program after:

(i) Reviewing evidence of the postsecondary preparatory program's performance and success; and

(ii) Giving priority for approval and funding to a postsecondary preparatory program operated by a partnership between a school district and an institution of higher education.

(B) The ~~Department of Education~~ Division of Elementary and Secondary Education shall not approve an application under this subdivision (c)(2) unless the postsecondary preparatory program meets the criteria under this subchapter and established by State Board of Education rules.

SECTION 307. The introductory language of Arkansas Code § 6-16-601(d)(1), concerning the authority of postsecondary preparatory programs, is amended to read as follows:

(d)(1) In collaboration with the ~~Department~~ Division of Higher Education, the ~~Department of Education~~ Division of Elementary and Secondary Education shall collect and analyze the following data from postsecondary preparatory programs:

SECTION 308. Arkansas Code § 6-16-601(d)(1)(I), concerning the authority of postsecondary preparatory programs, is amended to read as follows:

(I) The amount of funding the ~~Department of Education~~ Division of Elementary and Secondary Education distributed to each postsecondary preparatory program.

SECTION 309. The introductory language of Arkansas Code § 6-16-601(d)(2), concerning the authority of postsecondary preparatory programs, is amended to read as follows:

(2) The ~~Department of Education~~ Division of Elementary and

Secondary Education shall:

SECTION 310. Arkansas Code § 6-16-602(a)(4)(A), concerning postsecondary preparatory programs, is amended to read as follows:

(4)(A) Use instructors with appropriate content knowledge and specialized training developed by the ~~Department of Education~~ Division of Elementary and Secondary Education for instructors of developmental education.

SECTION 311. Arkansas Code § 6-16-602(b), concerning postsecondary preparatory programs, is amended to read as follows:

(b) A postsecondary preparatory program shall not receive funding under this subchapter unless the postsecondary preparatory program files an annual application with the ~~department~~ Division of Elementary and Secondary Education and the application is approved under § 6-16-601.

SECTION 312. Arkansas Code § 6-16-603(b)(3)(B), concerning local programs and placement tests, is amended to read as follows:

(B) The ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education as appropriate courses for college and career readiness.

SECTION 313. The introductory language of Arkansas Code § 6-16-604(a)(3), concerning student enrollment, is amended to read as follows:

(3) If space and funding are available after all eligible students who applied to attend a postsecondary preparatory program are enrolled, the ~~Department of Education~~ Division of Elementary and Secondary Education may permit a public school student to enroll in a postsecondary preparatory program if the student:

SECTION 314. Arkansas Code § 6-16-604(c), concerning student enrollment, is amended to read as follows:

(c) The opportunity to participate in a postsecondary preparatory program under this subchapter shall not be interpreted as mandating the ~~department~~ Division of Elementary and Secondary Education to fund postsecondary preparatory programs at a cost in excess of the funds

appropriated and funded in the Public School Fund for this purpose.

SECTION 315. Arkansas Code § 6-16-605(a)(2), concerning testing and acceptance of test scores, is amended to read as follows:

(2) Completes a postsecondary preparatory program successfully and in the student's senior year of high school enrolls in a mathematics or English language arts course that is designated by the ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education as an appropriate course for college and career readiness.

SECTION 316. Arkansas Code § 6-16-704 is amended to read as follows:

6-16-704. School-year remediation program.

Those schools electing not to offer a summer school program shall offer a ~~Department of Education-approved~~ Division of Elementary and Secondary Education-approved remediation program during the regular school year to students in kindergarten through grade three (K-3) not performing at grade level.

SECTION 317. Arkansas Code § 6-16-705 is amended to read as follows:

6-16-705. Summer school remediation program.

Students in kindergarten through grade three (K-3) not performing at grade level during the regular school year shall participate in a ~~Department of Education-approved~~ Division of Elementary and Secondary Education-approved remediation program or a summer school remediation program to be eligible for promotion to the next grade.

SECTION 318. Arkansas Code § 6-16-803(4) and (5), concerning the definitions of "commissioner" and "department" under the Arkansas Advanced Placement and International Baccalaureate Diploma Incentive Program Act of 1995, are repealed.

~~(4) "Commissioner" means the Commissioner of Education;~~

~~(5) "Department" means the Department of Education;~~

SECTION 319. Arkansas Code § 6-16-804(a) and (b), concerning the establishment, subsidies, rules, and regulations of the Arkansas Advanced

Placement and International Baccalaureate Diploma Incentive Program, are amended to read as follows:

(a) The Arkansas Advanced Placement and International Baccalaureate Diploma Incentive Program is hereby established, to be administered by the Commissioner of Elementary and Secondary Education.

(b) Contingent upon legislative appropriations and based on criteria established by the ~~Department of Education~~ Division of Elementary and Secondary Education, schools participating in the program may be awarded a one-time equipment and instructional materials grant for providing an advanced placement course or a course offered under the International Baccalaureate Diploma Programme.

SECTION 320. Arkansas Code § 6-16-805(b) and (c), concerning funding of the Arkansas Advanced Placement and International Baccalaureate Diploma Incentive Program, are amended to read as follows:

(b) All donations, grants, and appropriations received shall be accounted for by the ~~Department of Education~~ Division of Elementary and Secondary Education.

(c) The Commissioner of Elementary and Secondary Education may solicit and receive donations and grants for the purpose of making awards.

SECTION 321. Arkansas Code § 6-16-901(a), concerning legislative findings regarding the evaluation of instructional programs, is amended to read as follows:

(a) The General Assembly finds and acknowledges that a system of evaluation is needed to justify expenditure of state resources on effective instructional programs and to eliminate state funding of ineffective instructional programs. The General Assembly further finds that an evaluation system to examine instructional programs administered by the ~~Department of Education~~ Division of Elementary and Secondary Education must be implemented by the Commissioner of Elementary and Secondary Education in order to make a recommendation regarding continuation or termination of any mandated instructional program administered by the ~~department~~ division.

SECTION 322. Arkansas Code § 6-16-901(b)(2), concerning legislative findings regarding the evaluation of instructional programs, is amended to

read as follows:

(2) Each instructional program administered by the ~~department~~ division shall be formally reviewed by a program performance audit every four (4) years to evaluate purposes, activities, duties, accomplishments, and resources required to implement the program.

SECTION 323. The introductory language of Arkansas Code § 6-16-1004(d), concerning dating violence awareness, is amended to read as follows:

(d) The ~~Department of Education~~ Division of Elementary and Secondary Education shall annually provide a list of source materials available for school districts to use to teach a unit on dating violence awareness, including without limitation materials from:

SECTION 324. Arkansas Code § 6-16-1202(2)(C), concerning the definition of "endorsed concurrent enrollment course" concerning Advanced Placement and endorsed concurrent enrollment, is amended to read as follows:

(C) Is listed in the Arkansas Course Transfer System of the ~~Department~~ Division of Higher Education;

SECTION 325. Arkansas Code § 6-16-1204(a)(2), concerning the implementation of Advanced Placement and pre-Advanced Placement coursework, is amended to read as follows:

(2) The ~~Department of Education~~ Division of Elementary and Secondary Education shall approve all classes designated as pre-Advanced Placement courses.

SECTION 326. The introductory language of Arkansas Code § 6-16-1403(b), concerning digital learning and approved provider list, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education shall annually:

SECTION 327. Arkansas Code § 6-16-1405(b), concerning digital learning providers, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education or state board shall not require as a condition of approval of a

digital learning provider that the digital learning provider limit the delivery of digital learning courses to public schools that require physical attendance at the public school to successfully complete the credit for which the digital learning course is provided.

SECTION 328. Arkansas Code § 6-16-1504(b)(3), concerning school district participation in the Reengagement System and Differentiated Pathway to a High School Diploma Program, is amended to read as follows:

(3) Have an audit conducted to ensure that the participating program offered by the school district meets academic standards adopted by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 329. Arkansas Code § 6-16-1505(b)(3), concerning a model contract and model interlocal agreement for local school districts, is amended to read as follows:

(3) The responsibilities for data collection and reporting, including student transcripts and data required by the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 330. Arkansas Code § 6-17-102 is amended to read as follows:

6-17-102. Emergency first aid personnel.

Every public elementary school and every public secondary school in the State of Arkansas shall have in its employ at least one (1) person who is certified by the American Red Cross or approved by the ~~Department of Education~~ Division of Elementary and Secondary Education as qualified to administer emergency first aid and who shall be on the school grounds during normal school hours.

SECTION 331. Arkansas Code § 6-17-106(b), concerning insult or abuse of teacher, is amended to read as follows:

(b) Each school district shall report to the ~~Department of Education~~ Division of Elementary and Secondary Education any prosecutions within the school districts under this section.

SECTION 332. Arkansas Code § 6-17-119(a)(2), concerning the definition of "classified employee" under alternative pay programs, is amended to read

as follows:

(2) "Classified employee" means a person employed by a public school district under a written annual contract who is not required to have a teaching license issued by the ~~Department of Education~~ Division of Elementary and Secondary Education as a condition of employment;

SECTION 333. Arkansas Code § 6-17-119(c), concerning alternative pay programs, is amended to read as follows:

(c) The ~~department~~ division shall promulgate the rules necessary for the proper implementation of this section.

SECTION 334. Arkansas Code § 6-17-201(d)(2), concerning personnel policy requirements for school districts, is amended to read as follows:

(2)(A) By September 15 of each year, a school district shall provide the ~~Department of Education~~ Division of Elementary and Secondary Education with the website address at which its current personnel policies, including the salary schedule, may be found.

(B) The ~~department~~ division shall notify any school district that has not posted its policies on the school district website or provided the ~~department~~ division with the website address in accordance with this section.

SECTION 335. Arkansas Code § 6-17-207, concerning school district accreditation, is amended to read as follows:

6-17-207. Accreditation of school district.

No school district which does not have written personnel policies shall be accredited by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 336. The introductory language of Arkansas Code § 6-17-301(b)(1)(A), concerning the employment of licensed personnel by school district boards, is amended to read as follows:

(A) Been placed on fiscal distress by the ~~Department of Education~~ Division of Elementary and Secondary Education because of:

SECTION 337. Arkansas Code § 6-17-304(b) and (c), concerning the

employment of teachers obligated to another school district and liability of hiring school districts, are amended to read as follows:

(b) Either school district may petition the ~~Department of Education~~ Division of Elementary and Secondary Education to satisfy the liability by transferring such amount to the entitled school district from funds which the ~~department~~ division would have distributed to the liable school district.

(c) Upon receipt of such a petition, the ~~department~~ division shall determine the amount of the liability and satisfy the same by such transfer.

SECTION 338. Arkansas Code § 6-17-305(a), concerning student teachers, is amended to read as follows:

(a) Any Elementary or secondary school which has been accredited by the ~~Department of Education~~ Division of Elementary and Secondary Education may be entitled to assignments of student teachers from institutions of higher education in this state, irrespective of accreditation by any other agency, private or public.

SECTION 339. Arkansas Code § 6-17-308(c), concerning moving expenses paid for by the State Board of Education, is amended to read as follows:

(c) In order to be eligible for the reimbursement, the teacher must apply to the local school district, and the school district must obtain the prior approval from the ~~Department~~ Division of Higher Education for reimbursement before the relocation occurs.

SECTION 340. Arkansas Code § 6-17-308(d)(1), concerning moving expenses paid for by the State Board of Education, is amended to read as follows:

(d)(1) If the reimbursement is approved, the ~~department~~ division shall provide funds to the school district to reimburse the teacher an amount not to exceed one thousand dollars ($1,000) for the documented actual expenses incurred in the course of relocating.

SECTION 341. Arkansas Code § 6-17-309(a)(2)(B), concerning teaching licensure and waiver, is amended to read as follows:

(B) Those persons approved by the ~~Department of Education~~ Division of Elementary and Secondary Education to teach the grade level or

subject matter of the class in the ~~Department of Education~~ Division of Elementary and Secondary Education's distance learning program;

SECTION 342. Arkansas Code § 6-17-309(a)(2)(C)(ii), concerning teaching licensure and waiver, is amended to read as follows:

(ii) Meet the qualification requirements of that institution or the ~~Department~~ Division of Career and Technical Education; and

SECTION 343. Arkansas Code § 6-17-310(a)(1), concerning the Office for the Purpose of Teacher Recruitment, is amended to read as follows:

(a)(1) There is established within the ~~Department of Education~~ Division of Elementary and Secondary Education the Office for the Purpose of Teacher Recruitment for ensuring that the children of our state are taught by highly qualified professionals.

SECTION 344. Arkansas Code § 6-17-310(b)(1), concerning the Office for the Purpose of Teacher Recruitment, is amended to read as follows:

(1) Develop, disseminate, and distribute written materials and video productions on the importance of teaching as a profession, emphasizing the critical need for teachers in certain geographical areas of the state and the availability of financial scholarships to college students in exchange for service as a licensed teacher in the geographical critical-need area as identified by the ~~Department of Education~~ Division of Elementary and Secondary Education to assist the ~~Department~~ Division of Higher Education;

SECTION 345. Arkansas Code § 6-17-310(c)(3)(B), concerning the Office for the Purpose of Teacher Recruitment, is amended to read as follows:

(B) The ~~Department~~ Division of Higher Education may assist the office with the measure implemented under subdivision (c)(3)(A) of this section;

SECTION 346. Arkansas Code § 6-17-310(c)(10), concerning the Office for the Purpose of Teacher Recruitment, is amended to read as follows:

(10) Coordinate teacher recruitment activities with the ~~Department~~ Division of Higher Education;

SECTION 347. The introductory language of Arkansas Code § 6-17-310(d), concerning the Office for the Purpose of Teacher Recruitment, is amended to read as follows:

(d) The ~~Department of Education~~ Division of Elementary and Secondary Education may develop a supplemental funding program to be known as the "High-Priority Teacher Recruitment Program" that:

SECTION 348. Arkansas Code § 6-17-310(e)(2), concerning the Office for the Purpose of Teacher Recruitment, is amended to read as follows:

(2) Unacceptably wide achievement gaps as determined by the ~~Department of Education~~ Division of Elementary and Secondary Education in conjunction with the Commission on Closing the Achievement Gap in Arkansas.

SECTION 349. Arkansas Code § 6-17-401(b)(2), concerning teacher's license requirement, is amended to read as follows:

(2) Other documentation from the Office of Professional Licensure of the ~~Department of Education~~ Division of Elementary and Secondary Education authorizing employment as a teacher under the conditions set forth by the ~~Department of Education~~ Division of Elementary and Secondary Education in the documentation.

SECTION 350. The introductory language of Arkansas Code § 6-17-402(b)(1)(A), concerning rules issued by the State Board of Education, is amended to read as follows:

(A) Completes an educator preparation program approved by the ~~Department of Education~~ Division of Elementary and Secondary Education, which shall include without limitation:

SECTION 351. Arkansas Code § 6-17-402(d)(2), concerning rules issued by the State Board of Education, is amended to read as follows:

(2) The teacher preparation programs for licensure in this state shall report the results of the examinations to the ~~department~~ division upon request.

SECTION 352. The introductory language of Arkansas Code § 6-17-403(c), concerning provisional licensure for teachers trained and licensed in other

states, is amended to read as follows:

(c) The state board shall issue a standard five-year teaching license to an individual who furnishes to the ~~Department of Education~~ Division of Elementary and Secondary Education proof of the following:

SECTION 353. Arkansas Code § 6-17-409(a) and (b), concerning alternative educator preparation programs, are amended to read as follows:

(a) As used in this section, "alternative educator preparation program" means a program of study approved by the ~~Department of Education~~ Division of Elementary and Secondary Education for candidates holding a bachelor's degree who are preparing for licensure as teachers and leaders in public schools in this state.

(b)(1) The State Board of Education may offer and operate an alternative educator preparation program.

(2)(A) The ~~department~~ division may provide grants of financial assistance to entities that train individuals seeking to obtain licensure through an alternative educator preparation program administered by the ~~department~~ division.

(B) The ~~department~~ division shall pay the grants from funds appropriated by the General Assembly to the ~~department~~ division for such purpose.

(C) The state board shall promulgate rules to determine eligibility for and amount of awards of the grants concerning the operation of the alternative educator preparation program authorized by this section and for such other purposes as may be necessary in carrying out the intent of this section.

(3) The ~~department~~ division may refuse to admit for enrollment in the alternative educator preparation program administered by the ~~department~~ division a person who has been dismissed from a teacher education program at an institution of higher education.

(4) If the state board requires an applicant for licensure through an alternative educator preparation program to complete one (1) or more additional college-level courses and the applicant has obtained a bachelor's degree, the required course or courses shall be available as an online course, a traditional face-to-face course, or a hybrid course that is part online instruction and part face-to-face instruction, as approved by the

~~department~~ division.

SECTION 354. Arkansas Code § 6-17-409(g), concerning alternative educator preparation programs, is amended to read as follows:

(g) Each applicant for a provisional license under this section shall successfully complete the criminal records checks and Child Maltreatment Central Registry check under § 6-17-410 before the ~~department~~ division may issue the license.

SECTION 355. Arkansas Code § 6-17-410(a)(1)(A), concerning the application, renewal, revocation, suspension, and probation of teacher licensures, is amended to read as follows:

(a)(1)(A)(i) An applicant for a license issued by the State Board of Education, an applicant for license renewal, and a preservice teacher shall apply to the Identification Bureau of the ~~Department~~ Division of Arkansas State Police for a statewide and nationwide criminal records check, to be conducted by the ~~Department~~ Division of Arkansas State Police and the Federal Bureau of Investigation.

SECTION 356. Arkansas Code § 6-17-410(a)(1)(B), concerning the application, renewal, revocation, suspension, and probation of teacher licensures, is amended to read as follows:

(B) The applicant shall sign a release of information to the ~~Department of Education~~ Division of Elementary and Secondary Education and shall be responsible for the payment of any fee associated with the criminal records check.

SECTION 357. Arkansas Code § 6-17-410(a)(2) and (3), concerning the application, renewal, revocation, suspension, and probation of teacher licensures, are amended to read as follows:

(2) Upon completion of the criminal records check, the Identification Bureau of the ~~Department~~ Division of Arkansas State Police shall forward all releasable information obtained concerning the applicant to the ~~Department of Education~~ Division of Elementary and Secondary Education.

(3)(A) An applicant for a license issued by the state board, an applicant for license renewal, and a preservice teacher are required to

request through the ~~Department of Education~~ Division of Elementary and Secondary Education a Child Maltreatment Central Registry check to be conducted by the Department of Human Services.

(B) The applicant shall sign a release of information to the ~~Department of Education~~ Division of Elementary and Secondary Education and is responsible for the payment of any fee associated with the Child Maltreatment Central Registry check.

(C) The Department of Human Services shall forward all releasable information concerning the applicant to the ~~Department of Education~~ Division of Elementary and Secondary Education upon completion of the Child Maltreatment Central Registry check.

(D) An institution of higher education is not required to bar a student from enrollment in an educator preparation program due to a true report in the Child Maltreatment Central Registry.

SECTION 358. The introductory language of Arkansas Code § 6-17-410(b)(1), concerning the application, renewal, revocation, suspension, and probation of teacher licensures, is amended to read as follows:

(b)(1) The state board may issue a six-month nonrenewable letter of provisional eligibility for licensure pending the results of the criminal records check and the Child Maltreatment Central Registry check. However, the Commissioner of Elementary and Secondary Education may extend the period of provisional eligibility to the end of that contract year if:

SECTION 359. Arkansas Code § 6-17-410(b)(3), concerning the application, renewal, revocation, suspension, and probation of teacher licensures, is amended to read as follows:

(3) If the ~~Department of Education~~ Division of Elementary and Secondary Education receives information from the Department of Human Services that the person holding a letter of provisional eligibility for teacher licensure has a true report in the Child Maltreatment Central Registry, the state board shall immediately revoke the provisional eligibility of the teacher licensure applicant.

SECTION 360. Arkansas Code § 6-17-410(d)(A)(iii) and (iv), concerning the application, renewal, revocation, suspension, and probation of teacher

licensures, are amended to read as follows:

(iii) Intentionally compromising the validity or security of any student test or testing program administered by or required by the state board or the ~~Department of Education~~ Division of Elementary and Secondary Education;

(iv) Having the completed examination test score of any testing program required by the state board for teacher licensure declared invalid by the testing program company and so reported to the ~~Department of Education~~ Division of Elementary and Secondary Education by the testing company;

SECTION 361. Arkansas Code § 6-17-410(d)(1)(A)(viii), concerning the application, renewal, revocation, suspension, and probation of teacher licensures, is amended to read as follows:

(viii) Knowingly submitting or providing false or misleading information or knowingly failing to submit or provide information requested or required by law to the ~~Department of Education~~ Division of Elementary and Secondary Education, the state board, or Arkansas Legislative Audit;

SECTION 362. Arkansas Code § 6-17-410(f)(1)(A)(iv), concerning the application, renewal, revocation, suspension, and probation of teacher licensures, is amended to read as follows:

(iv) An unlicensed individual admitted to a teacher preparation program approved by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 363. Arkansas Code § 6-17-410(f)(3)(A), concerning the application, renewal, revocation, suspension, and probation of teacher licensures, is amended to read as follows:

(3)(A) An unlicensed individual who is disqualified from licensure by subsection (c) of this section may apply for a waiver prior to applying for licensure by submitting to the ~~Department of Education~~ Division of Elementary and Secondary Education:

(i) Written request for a hearing;

(ii) Proof of acceptance or enrollment in a teacher

preparation program approved by the ~~Department of Education~~ Division of Elementary and Secondary Education; and

(iii) Written recommendation from the teacher preparation program.

SECTION 364. Arkansas Code § 6-17-410(g)(1)(D)-(F), concerning the application, renewal, arevocation, suspension, and probation of teacher licensures, are amended to read as follows:

(D) Has intentionally compromised the validity or security of any student test or testing program administered or required by the ~~Department of Education~~ Division of Elementary and Secondary Education;

(E) Has knowingly submitted falsified information or failed to submit information requested or required by law to the ~~Department of Education~~ Division of Elementary and Secondary Education, the state board, or Arkansas Legislative Audit;

(F) Has failed to establish or maintain the necessary requirements and standards set forth in Arkansas law or ~~Department of Education~~ Division of Elementary and Secondary Education rules for teacher licensure; or

SECTION 365. Arkansas Code § 6-17-410(h)(1), concerning the application, renewal, revocation, suspension, and probation of teacher licensures, is amended to read as follows:

(h)(1) Any information received by the ~~Department of Education~~ Division of Elementary and Secondary Education from the Identification Bureau of the ~~Department~~ Division of Arkansas State Police or the Department of Human Services pursuant to subsection (a) of this section shall not be available for examination except by the affected applicant for licensure or his or her duly authorized representative, and no record, file, or document shall be removed from the custody of the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 366. Arkansas Code § 6-17-410(j)(1) and (2), concerning the application, renewal, revocation, suspension, and probation of teacher licensures, are amended to read as follows:

(1) "Preservice teacher" means an unlicensed individual who is

accepted or enrolled in a teacher preparation program approved by the ~~Department of Education~~ Division of Elementary and Secondary Education; and

(2) "Supervised clinical practice" means the placement of a preservice teacher by a teacher education program approved by the ~~Department of Education~~ Division of Elementary and Secondary Education at the educational entity for the purpose of the student completing an internship or a student teaching experience required by the teacher education program.

SECTION 367. Arkansas Code § 6-17-411 is amended to read as follows:

6-17-411. Criminal records check as a condition for initial employment of licensed personnel — Definitions.

(a)(1)(A) Except as provided in subdivision (a)(1)(B) of this section, the board of directors of an educational entity shall require as a condition for initial employment by the educational entity that any person holding a license issued by the State Board of Education and making application for employment authorize release to the ~~Department of Education~~ Division of Elementary and Secondary Education the results of:

(i) Statewide and nationwide criminal records checks by the Identification Bureau of the ~~Department~~ Division of Arkansas State Police, which conform to the applicable federal standards and include the taking of the applicant's fingerprints; and

(ii) The Child Maltreatment Central Registry check by the Department of Human Services.

(B)(i) The board of directors of a school district created by consolidation, annexation, or detachment may waive the requirements under subdivision (a)(1)(A) of this section for personnel who were employed by an affected district immediately before the annexation, consolidation, or detachment and who had a complete criminal background check conducted as a condition of the person's most recent employment with the affected district as required under this section.

(ii) As used in subdivision (a)(1)(B)(i) of this section, "affected district" means a school district that loses territory or students as a result of annexation, consolidation, or detachment.

(2) Unless the employing educational entity's board of directors has taken action to pay for the cost of criminal background checks or the Child Maltreatment Central Registry checks required by this section, the

employment applicant shall be responsible for the payment of any fee associated with the criminal records check and the Child Maltreatment Central Registry check.

(3) At the conclusion of the criminal records check required by this section, the Identification Bureau of the ~~Department~~ Division of Arkansas State Police may maintain the fingerprints in the automated fingerprint identification system.

(4)(A) Any information received by the ~~Department of Education~~ Division of Elementary and Secondary Education from the Identification Bureau of the ~~Department~~ Division of Arkansas State Police or the Department of Human Services pursuant to this section shall not be available for examination except by the affected applicant for employment or his or her duly authorized representative, and no record, file, or document shall be removed from the custody of the ~~Department of Education~~ Division of Elementary and Secondary Education.

(B) Any information made available to the affected applicant for employment shall be information pertaining to that applicant only.

(C) Rights of privilege and confidentiality established under this section shall not extend to any document created for purposes other than this background check.

(5) The ~~Department of Education~~ Division of Elementary and Secondary Education shall promptly inform the board of directors of the educational entity whether or not the affected applicant is eligible for employment as provided by subsection (b) of this section.

(b)(1)(A) No person holding a license from the state board shall be eligible for employment by an educational entity if the results of the criminal records check released to the ~~Department of Education~~ Division of Elementary and Secondary Education by the applicant reveal that the applicant has pleaded guilty or nolo contendere to or has been found guilty of any offense that will or may result in license revocation by the state board under § 6-17-410, unless the state board waives revocation.

(B) No person holding a license issued by the state board shall be eligible for employment by an educational entity if the results of the Child Maltreatment Central Registry check released to the ~~Department of Education~~ Division of Elementary and Secondary Education reveal that the

applicant has a true report in the Child Maltreatment Central Registry, unless the state board waives revocation under § 6-17-410.

(2) However, the board of directors of an educational entity is authorized to offer provisional employment to the affected applicant pending notification from the ~~Department of Education~~ Division of Elementary and Secondary Education that the:

(A) Applicant is eligible for employment based on the background checks; or

(B) State board has waived the disqualifying offense or placement on the Child Maltreatment Central Registry.

(c) The board of directors of an educational entity shall require as a condition for supervised clinical practice at the educational entity that a preservice teacher seeking to conduct his or her supervised clinical practice shall authorize the release to the ~~Department of Education~~ Division of Elementary and Secondary Education of the results of the criminal records background check and Child Maltreatment Central Registry check required under subdivision (a)(1)(A) of this section.

(d) As used in this section:

(1) "Educational entity" means:

(A) The ~~Department of Education~~ Division of Elementary and Secondary Education; or

(B) An entity that is identified by the ~~Department of Education~~ Division of Elementary and Secondary Education as a local education agency, except that for a public school operated by a school district the school district is the educational entity;

(2) "Preservice teacher" means an unlicensed individual who is accepted or enrolled in a teacher preparation program approved by the ~~Department of Education~~ Division of Elementary and Secondary Education; and

(3) "Supervised clinical practice" means the placement of a preservice teacher by a teacher education program approved by the ~~Department of Education~~ Division of Elementary and Secondary Education at the educational entity for the purpose of the student completing an internship or student teaching experience required by the teacher education program.

SECTION 368. Arkansas Code § 6-17-412(a)(1), concerning certification by the National Board for Professional Teaching Standards, is amended to read

as follows:

(1) "Classroom teacher" means an individual who is required to hold a teaching license from the ~~Department of Education~~ Division of Elementary and Secondary Education and who is engaged directly in instruction with students in a classroom setting for more than seventy percent (70%) of the individual's contracted time;

SECTION 369. Arkansas Code § 6-17-413(a)(1)(A), concerning bonuses and certification funding by the National Board for Professional Teaching Standards, is amended to read as follows:

(a)(1)(A) The ~~Department of Education~~ Division of Elementary and Secondary Education shall pay the full amount of the participation fee of the National Board for Professional Teaching Standards and provide, if determined to be necessary by the ~~department~~ division, substitute pay for a maximum of three (3) days of approved paid leave for teachers selected by the State Board of Education to participate in the program of the national board.

SECTION 370. The introductory language of Arkansas Code § 6-17-413(a)(3)(A), concerning bonuses and certification funding by the National Board for Professional Teaching Standards, is amended to read as follows:

(3)(A) The ~~department~~ division shall pay a yearly incentive bonus of five thousand dollars ($5,000) for no more than ten (10) school years or, in the case of a recertification obtained before January 1, 2018, for the life of the recertification to any classroom teacher, building-level principal, or building-level assistant principal who:

SECTION 371. Arkansas Code § 6-17-413(b) and (c), concerning bonuses and certification funding by the National Board for Professional Teaching Standards, are amended to read as follows:

(b)(1) A teacher who receives state moneys for the participation fee of the National Board for Professional Teaching Standards but who does not complete the certification process within three (3) years after the teacher's entry into the certification program of the national board or who becomes certified by the national board but does not teach or serve as a building-level principal or building-level assistant principal in the Arkansas public school system for three (3) continuous school years after receiving the

certification by the national board shall repay the ~~department~~ division the amount it contributed to the participation fee of the national board and the total amount it contributed to any yearly bonus.

(2) If the teacher, principal, or assistant principal leaves the employment of a public school district before the three (3) continuous years are completed and is employed by an Arkansas institution of higher education or employed by an education service cooperative and the teacher does not teach in a classroom with students, the teacher, principal, or assistant principal shall repay the ~~department~~ division the amount it contributed to the participation fee of the national board and the total amount it contributed to any yearly salary bonus.

(3) The State Board of Education may suspend the Arkansas teacher's license of any person that fails, when required to do so, to repay moneys contributed by the ~~department~~ division for the certification program of the national board.

(4) Repayment of moneys contributed by the ~~department~~ division is not required if, due to the death or disability of the teacher or other extenuating circumstances as may be recognized by the State Board of Education, the teacher does not complete the certification process of the national board or does not teach in the Arkansas public school system for three (3) continuous school years after completing the certification process of the national board.

(c)(1) Provisions of this section and § 6-17-412 shall apply only to the extent that funds are appropriated to the ~~department~~ division to pay for these provisions.

(2)(A) For a member of the Arkansas Teacher Retirement System, the ~~department~~ division shall withhold any employee contributions when necessary from the incentive bonus and shall send the employee contributions to the system for credit as a part of the member's salary.

(B) The employer contributions shall be provided from funds that are appropriated to the ~~department~~ division to pay for the bonuses and shall be sent to the system for credit as employer contributions to match the member's salary.

SECTION 372. The introductory language of Arkansas Code § 6-17-413(d)(2), concerning bonuses and certification funding by the National Board

for Professional Teaching Standards, ais amended to read as follows:

(2) By December 1 of each year, the ~~department~~ division shall pay a yearly incentive bonus of five thousand dollars ($5,000) to a speech-language pathologist who:

SECTION 373. Arkansas Code § 6-17-413(d)(3)(A)(ii), concerning bonuses and certification funding by the National Board for Professional Teaching Standards, is amended to read as follows:

(ii) If sufficient funds are not available to pay the full amount of the bonus to each certified speech-language pathologist as provided under this section, the ~~department~~ division may reduce the amount of the bonus for each qualified recipient proportionately as necessary to provide a bonus to each qualified speech-language pathologist in an equal amount.

SECTION 374. Arkansas Code § 6-17-413(d)(5)(A)(i), concerning bonuses and certification funding by the National Board for Professional Teaching Standards, is amended to read as follows:

(5)(A)(i) If a speech-language pathologist who receives a bonus under this subsection leaves employment in the Arkansas public school system before completing three (3) continuous school years of employment, the speech-language pathologist shall repay the ~~department~~ division a prorated portion of the bonus received in the school year based on a daily rate for the remainder of a school year in which the speech-language pathologist leaves employment.

SECTION 375. The introductory language of Arkansas Code § 6-17-413(e)(1), concerning bonuses and certification funding by the National Board for Professional Teaching Standards, is amended to read as follows:

(e)(1) The ~~department~~ division shall pay a yearly incentive bonus to a person who:

SECTION 376. Arkansas Code § 6-17-413(e)(3)(F)(ii), concerning bonuses and certification funding by the National Board for Professional Teaching Standards, is amended to read as follows:

(ii) A person who, as of December 1, 2017, meets the

qualifications for a yearly incentive bonus under both this subsection and subsection (a) of this section may make an irrevocable election to receive future yearly incentive bonuses under this subsection by filing a written election with the ~~department~~ division no later than July 1, 2019.

SECTION 377. Arkansas Code § 6-17-414(a)(1)(B)(i), concerning a criminal record check as condition for initial employment of nonlicensed personnel, is amended to read as follows:

(B)(i) The person shall sign a release of information to the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 378. Arkansas Code § 6-17-414(a)(2)(A), concerning a criminal record check as condition for initial employment of nonlicensed personnel, is amended to read as follows:

(2)(A) Upon completion of the criminal records check, the Identification Bureau of the ~~Department~~ Division of Arkansas State Police shall forward all releasable information obtained concerning the person to the ~~Department of Education~~ Division of Elementary and Secondary Education, which shall promptly inform the board of directors of the educational entity whether or not the applicant is eligible for employment as provided by subsection (b) of this section.

SECTION 379. Arkansas Code § 6-17-414(a)(3)(B) and (C), concerning a criminal record check as condition for initial employment of nonlicensed personnel, are amended to read as follows:

(B) The applicant shall sign a release of information to the ~~Department of Education~~ Division of Elementary and Secondary Education and shall be responsible for the payment of any fee associated with the Child Maltreatment Central Registry check.

(C) The Department of Human Services shall forward all releasable information concerning the applicant to the ~~Department of Education~~ Division of Elementary and Secondary Education upon completion of the Child Maltreatment Central Registry check.

SECTION 380. Arkansas Code § 6-17-414(c), concerning a criminal record check as condition for initial employment of nonlicensed personnel, is

amended to read as follows:

(c) However, the board of directors of an educational entity is authorized to offer provisional employment to an applicant pending receipt of eligibility information from the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 381. Arkansas Code § 6-17-414(d)(1), concerning a criminal record check as condition for initial employment of nonlicensed personnel, is amended to read as follows:

(d)(1) Any information received by the ~~Department of Education~~ Division of Elementary and Secondary Education from the Identification Bureau of the ~~Department~~ Division of Arkansas State Police or the Department of Human Services pursuant to this section shall not be available for examination except by the affected applicant for employment or his or her duly authorized representative, and no record, file, or document shall be removed from the custody of the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 382. Arkansas Code § 6-17-414(e)(4), concerning a criminal record check as condition for initial employment of nonlicensed personnel, is amended to read as follows:

(4) Knowingly submits or provides false or misleading information or knowingly fails to submit or provide information requested or required by law to the ~~Department of Education~~ Division of Elementary and Secondary Education, the state board, or Arkansas Legislative Audit;

SECTION 383. Arkansas Code § 6-17-414(f)(1)(B) and (C), concerning a criminal record check as condition for initial employment of nonlicensed personnel, are amended to read as follows:

(B) Has intentionally compromised the validity or security of any student test or testing program administered or required by the ~~Department of Education~~ Division of Elementary and Secondary Education;

(C) Has knowingly submitted falsified information or failed to submit information requested or required by law to the ~~Department of Education~~ Division of Elementary and Secondary Education, the state board, or Arkansas Legislative Audit; or

SECTION 384. Arkansas Code § 6-17-414(g)(5)(B), concerning a criminal record check as condition for initial employment of nonlicensed personnel, is amended to read as follows:

(B) After adopting a resolution granting a waiver, the board of directors of an educational entity shall immediately provide a copy of the resolution and waiver request to the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 385. Arkansas Code § 6-17-414(h)(1)(A) and (B), concerning a criminal record check as condition for initial employment of nonlicensed personnel, are amended to read as follows:

(A) The ~~Department of Education~~ Division of Elementary and Secondary Education; or

(B) An entity that is identified by the ~~Department of Education~~ Division of Elementary and Secondary Education as a local education agency, except that for a public school operated by a school district the school district is the educational entity; and

SECTION 386. Arkansas Code § 6-17-414(h)(2)(C), concerning a criminal record check as a condition for initial employment of nonlicensed personnel, is amended to read as follows:

(C) Designated employee position with the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 387. Arkansas Code § 6-17-421(b)(1)(A), concerning a criminal record check for fraudulent acts, is amended to read as follows:

(b)(1)(A) Upon making application for employment in a position as a fiscal officer of an educational entity, the board of directors of the educational entity shall require the employment applicant to authorize release to the ~~Department of Education~~ Division of Elementary and Secondary Education the results of statewide and nationwide criminal records checks by the Identification Bureau of the ~~Department~~ Division of Arkansas State Police.

SECTION 388. Arkansas Code § 6-17-421(b)(3)(A), concerning a criminal

record check for fraudulent acts, is amended to read as follows:

(3)(A) Any information received by the ~~Department of Education~~ Division of Elementary and Secondary Education from the Identification Bureau of the ~~Department~~ Division of Arkansas State Police or the Department of Human Services pursuant to this section shall not be available for examination except by the affected applicant for employment or his or her duly authorized representative, and no record, file, or document shall be removed from the custody of the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 389. Arkansas Code § 6-17-421(b)(4), concerning a criminal record check for fraudulent acts, is amended to read as follows:

(4) The ~~Department of Education~~ Division of Elementary and Secondary Education shall promptly inform the board of directors of the educational entity whether or not the affected employment applicant is eligible for employment as provided in this subsection.

SECTION 390. Arkansas Code § 6-17-421(c), concerning a criminal record check for fraudulent acts, is amended to read as follows:

(c)(1) No person shall be eligible for employment as a fiscal officer by an educational entity if the results of the criminal records check released to the ~~Department of Education~~ Division of Elementary and Secondary Education by the applicant reveal that the applicant has pleaded guilty or nolo contendere to or has been found guilty of a fraudulent act but only after an opportunity for a hearing before the State Board of Education upon reasonable notice in writing.

(2) However, the board of directors of an educational entity is authorized to offer provisional employment to the affected applicant pending receipt of eligibility information from the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 391. Arkansas Code § 6-17-422(b)(1)(A), concerning the establishment of the Professional Licensure Standards and Board, is amended to read as follows:

(A) The Commissioner of Elementary and Secondary Education or his or her designee, who shall serve as a nonvoting member;

SECTION 392. Arkansas Code § 6-17-422(b)(1)(E), concerning the establishment of the Professional Licensure Standards Board, is amended to read as follows:

(E) One (1) nonvoting representative designated by the ~~Department of Education~~ Division of Elementary and Secondary Education from its Human Resources, Educator Effectiveness and Licensure Division recommended by the commissioner;

SECTION 393. Arkansas Code § 6-17-422(g)(2), concerning the establishment of the Professional Licensure Standards Board, is amended to read as follows:

(2) Members of the Professional Licensure Standards Board may receive expense reimbursement in accordance with § 25-16-902, to be paid by the ~~Department of Education~~ Division of Elementary and Secondary Education to the extent money is available for that purpose.

SECTION 394. Arkansas Code § 6-17-422(h)(2)(A), concerning the establishment of the Professional Licensure Standards Board, is amended to read as follows:

(2)(A) With the assistance of the ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education, develop a system for the annual reporting and review of educator preparation program quality.

SECTION 395. Arkansas Code § 6-17-422(h)(4)(A)(ii), concerning the establishment of the Professional Licensure Standards Board, is amended to read as follows:

(ii) Request through the ~~Department of Education~~ Division of Elementary and Secondary Education a Child Maltreatment Central Registry check to be conducted by the Department of Human Services.

SECTION 396. Arkansas Code § 6-17-424(b), concerning the eligibility of a school counselor for administrator licensure for counselors, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary

Education shall promulgate the rules necessary to implement this section.

SECTION 397. The introductory language of Arkansas Code § 6-17-426(a)(1), concerning a review of repeat audit findings by the Professional Licensure Standards Board, is amended to read as follows:

(a)(1) The Legislative Joint Auditing Committee may refer an audit report of a school district to the ~~Department of Education~~ Division of Elementary and Secondary Education if:

SECTION 398. Arkansas Code § 6-17-426(a)(2), concerning a review of repeat audit findings by the Professional Licensure Standards Board, is amended to read as follows:

(2) The ~~department~~ division shall submit the audit report referred in subdivision (a)(1) of this section to the Professional Licensure Standards Board in forms approved by the ~~department~~ division.

SECTION 399. Arkansas Code § 6-17-427(a)(1) and (2), concerning superintendent licenses and superintendent mentoring program requirement, are amended to read as follows:

(a)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall develop and sponsor a superintendent mentoring program for first-year superintendents that includes without limitation:

(A) Curriculum and instruction;

(B) Ethics;

(C) Facilities;

(D) Human resources;

(E) Leadership;

(F) School funding; and

(G) Technology.

(2) The ~~department~~ division shall incorporate all training that is currently required for first-year superintendents into the superintendent mentoring program.

SECTION 400. Arkansas Code § 6-17-428(d)(1), concerning ethical violations, is amended to read as follows:

(1) The ~~Department of Education~~ Division of Elementary and

Secondary Education;

SECTION 401. Arkansas Code § 6-17-428(p)(3)(A)(i), concerning ethical violations, is amended to read as follows:

(3)(A)(i) The ~~department~~ division shall establish and maintain a website providing a school hiring officer with the ability to determine if the State Board of Education has acted upon an ethics complaint concerning a violation of the standard in subdivision (p)(2)(A) of this section involving the sexual abuse of a student by an applicant for employment who holds an Arkansas teaching or administrator's license or an individual intending to be employed under a waiver from licensure as a teacher of record or as an administrator.

SECTION 402. Arkansas Code § 6-17-428(p)(3)(B), concerning ethical violations, is amended to read as follows:

(B) Before an educator who holds an Arkansas teaching license or administrator's license or an individual intending to be employed under a waiver from licensure as a teacher of record or as an administrator may be hired for employment at an Arkansas school, the school hiring officer shall check the website maintained by the ~~department~~ division under subdivision (p)(3)(A) of this section to determine whether the State Board of Education has acted upon a violation of the standard in subdivision (p)(2)(A) of this section involving the sexual abuse of a student by the applicant.

SECTION 403. The introductory language of Arkansas Code § 6-17-428(q), concerning ethical violations, is amended to read as follows:

(q) Subject to the disclosure limitations of subsections (m) and (o) of this section, the ~~department~~ division may include on the ~~department's~~ division's public website for licensure the following information on each violation of the code of ethics by an educator whose license the State Board of Education has suspended, revoked, denied, or not renewed based on the recommendations of the ethics subcommittee:

SECTION 404. Arkansas Code § 6-17-429(e), concerning the Right to Read Act, is amended to read as follows:

(e) A provider of a state-approved educator preparation program shall

include in its annual report to the ~~Department of Education~~ Division of Elementary and Secondary Education a description of the provider's program to prepare educators to teach reading using scientific reading instruction.

SECTION 405. Arkansas Code § 6-17-429(g), concerning the Right to Read Act, is amended to read as follows:

(g)(1) The ~~department~~ division is vested with the authority to and shall enforce this section.

(2) The ~~department~~ division shall promulgate rules to implement this section.

SECTION 406. Arkansas Code § 6-17-603 is amended to read as follows:

6-17-603. Reporting of test scores — Confidentiality.

(a)(1) Scores from the tests required under this subchapter and § 6-17-402 shall not be disclosed but shall be retained by the ~~Department of Education~~ Division of Elementary and Secondary Education as confidential records not subject to the Freedom of Information Act of 1967, § 25-19-101 et seq., or any other act that would require the disclosure thereof.

(2) However, the ~~department~~ division shall provide each licensee with that person's test score and the grader's analysis of the writing portion of the test.

(b) The ~~department~~ division shall transmit to the Governor and the House Committee on Education and the Senate Committee on Education a composite report indicating by county the number of persons who failed the tests and the number of persons who passed the tests.

SECTION 407. Arkansas Code § 6-17-701(a), concerning a program to improve reading skills, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education is authorized and directed to develop and implement an inclusive statewide program to improve the reading skills of students in the public schools of this state.

SECTION 408. Arkansas Code § 6-17-701(c), concerning a program to improve reading skills, is amended to read as follows:

(c) The intensive in-service training in the teaching of reading

provided for in this section shall be developed and implemented under the direction of reading specialists of the ~~department~~ division and selected in-service teachers who have been identified as having been particularly successful in the teaching of reading.

SECTION 409. Arkansas Code § 6-17-702(a)(1)(B), concerning school district staff development sessions, is amended to read as follows:

(B) Licensed personnel may count up to two (2) days of six (6) hours each of attendance at instructional professional development sessions conducted by bona fide professional organizations toward fulfillment of the ten (10) days of staff development required by the Standards for Accreditation of Arkansas Public Schools and School Districts, provided the sessions have been certified by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 410. Arkansas Code § 6-17-704(a)(1), concerning a professional development plan, is amended to read as follows:

(1) Is required by statute or by the ~~Department of Education~~ Division of Elementary and Secondary Education; or

SECTION 411. Arkansas Code § 6-17-704(e)(1), concerning a professional development plan, is amended to read as follows:

(1) Shall comply with the ~~Department of Education~~ Division of Elementary and Secondary Education Rules Governing Professional Development; and

SECTION 412. Arkansas Code § 6-17-704(f)(2), concerning a professional development plan, is amended to read as follows:

(2) Delivered by any method, online or otherwise, approved by the ~~Department of Education~~ Division of Elementary and Secondary Education under the State Board of Education rules.

SECTION 413. Arkansas Code § 6-17-705(d), concerning professional development credit, is amended to read as follows:

(d) A person who holds any license issued by the State Board of Education may obtain credit for required professional development through a

micro-credentialing process approved by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 414. Arkansas Code § 6-17-707(b) and (c), concerning the Arkansas Online Professional Development Initiative, are amended to read as follows:

(b) Under the initiative, the Commissioner of Elementary and Secondary Education shall identify teacher professional development needs in the state and prioritize the needs based on the areas of professional development most needed to improve academic and teaching knowledge and skills of licensed personnel.

(c) Based on the needs and priorities identified in the assessment under subsection (b) of this section, the commissioner shall work with the Director of the Educational Television Division of the ~~Department of Education~~ Division of Elementary and Secondary Education and local school districts to develop a statewide online professional development program that includes quality professional development courses that:

(1) Are aligned to the required focus areas identified in the State Board of Education rules governing professional development and the Arkansas Educational Support and Accountability Act, § 6-15-2901 et seq.;

(2) Are aligned with the clear, specific, and challenging academic content areas as established by the ~~Department of Education~~ Division of Elementary and Secondary Education as required under § 6-15-2906;

(3) Are aligned with the Arkansas academic standards established by the ~~department~~ division for each class level or subject area included in the respective professional development programs;

(4) Are research-based and available from sources with expertise in technology-delivered professional development courses;

(5) Are consistent with the Board of Control for Southern Regional Education multistate online professional development standards in existence on January 1, 2005;

(6) Focus on improving student academic achievement by improving a teacher's academic and teaching knowledge and skills; and

(7) Include an assessment at the end of the program designed to measure each licensed person's level of understanding and ability to implement or apply the information presented in the program.

SECTION 415. Arkansas Code § 6-17-707(d)(4), concerning the Arkansas Online Professional Development Initiative, is amended to read as follows:

(4) If a technology-delivered professional development course or service that has been identified as needed under the assessment in subsection (b) of this section is not available, the network or other providers shall work with the ~~department~~ division to develop a course or service to meet the identified need.

SECTION 416. Arkansas Code § 6-17-707(e), concerning the Arkansas Online Professional Development Initiative, is amended to read as follows:

(e)(1) The ~~department~~ division shall determine the content of and preapprove all professional development courses or programs delivered by the network that qualify for professional development credit as required by the Standards for Accreditation of Arkansas Public Schools and School Districts or teacher licensure requirements.

(2) The ~~department~~ division may approve professional development obtained through a micro-credentialing process.

SECTION 417. Arkansas Code § 6-17-707(f)-(h), concerning the Arkansas Online Professional Development Initiative, are amended to read as follows:

(f) The ~~department~~ division shall provide the staff and resources needed to provide the quality leadership necessary to coordinate the initiative.

(g) The initiative shall include a method for the ~~department~~ division, the network, school districts, schools, and licensed personnel to annually evaluate the effectiveness of the initiative and its online professional development course and programs.

(h)(1) As part of a school district support plan, the ~~department~~ division may include guidelines for the professional development programs to be delivered to the licensed personnel employed by a school district receiving Level 3 — Coordinated, Level 4 — Directed, or Level 5 — Intensive support.

(2) As part of the school district support plan, the ~~department~~ division may require the participation and completion of professional development courses or programs by licensed personnel in a school or school

district as appropriate for the licensed personnel's job assignments and duties.

SECTION 418. Arkansas Code § 6-17-708(a)(1), concerning teen suicide awareness and prevention professional development, is amended to read as follows:

(a)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall require two (2) hours of professional development in teen suicide awareness and prevention for licensed public school personnel according to the professional development schedule under § 6-17-709.

(2) The professional development under this section may be accomplished through self-review of suitable suicide prevention materials approved by the ~~department~~ division.

SECTION 419. Arkansas Code § 6-17-709(b), concerning a professional development schedule for school personnel, is amended to read as follows:

(b)(1) Two (2) hours of the professional development required by subsection (a) of this section shall be counted in one (1) school year toward the minimum number of hours of professional development required for licensed educators under the ~~Department of Education~~ Division of Elementary and Secondary Education Rules Governing Professional Development.

(2) If additional hours are obtained by a licensed educator, the school district may count those hours as part of the minimum number of hours of professional development required for licensed educators under the ~~Department of Education~~ Division of Elementary and Secondary Education Rules Governing Professional Development.

SECTION 420. Arkansas Code § 6-17-709(d), concerning the Arkansas Online Professional Development Initiative, is amended to read as follows:

(d) The ~~Department of Education~~ Division of Elementary and Secondary Education shall establish the curriculum under this section in collaboration with educational agencies and associations, including without limitation the:

(1) ~~Department~~ Division of Higher Education;

(2) Arkansas Association of Educational Administrators;

(3) Arkansas Education Association;

(4) Arkansas School Boards Association;

(5) Arkansas Association for Supervision and Curriculum Development;

(6) Arkansas State Teachers Association; and

(7) Arkansas Rural Ed Association.

SECTION 421. Arkansas Code § 6-17-709(e)(1)(A), concerning the Arkansas Online Professional Development Initiative, is amended to read as follows:

(A) The ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 422. Arkansas Code § 6-17-709(e)(1)(C), concerning the Arkansas Online Professional Development Initiative, is amended to read as follows:

(C) Providers approved by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 423. The introductory language of Arkansas Code § 6-17-709(e)(3)(A), concerning the Arkansas Online Professional Development Initiative, is amended to read as follows:

(3)(A) The ~~Department of Education~~ Division of Elementary and Secondary Education shall not issue an initial teaching license until the applicant verifies that he or she has obtained the required professional development concerning:

SECTION 424. Arkansas Code § 6-17-709(e)(3)(B), concerning the Arkansas Online Professional Development Initiative, is amended to read as follows:

(B) For a teaching license issued under the state's reciprocity provisions to an out-of-state teacher, the ~~Department of Education~~ Division of Elementary and Secondary Education shall issue a provisional license until the licensee obtains the professional development identified in subdivision (e)(3)(A) of this section.

SECTION 425. Arkansas Code § 6-17-710(b), concerning human trafficking professional development, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education or another person, firm, or corporation designated by the ~~department~~ division shall develop and administer the professional development under subsection (a) of this section.

SECTION 426. Arkansas Code § 6-17-803(b)(3), concerning optional contracts for teachers payable in monthly installments, is amended to read as follows:

(3) If any teacher fails to repay any money owed to a school district upon a contract breached by him or her, the secretary of the school district shall certify the failure to the ~~Department of Education~~ Division of Elementary and Secondary Education, and the State Board of Education shall suspend the teacher's license until all of the money is repaid.

SECTION 427. Arkansas Code § 6-17-805(f)(1), concerning deduction from salary for professional membership dues, is amended to read as follows:

(1) "Classified employee" means any person employed by a school district under a written annual contract who is not required to have a teaching license issued by the ~~Department of Education~~ Division of Elementary and Secondary Education as a condition of employment; and

SECTION 428. Arkansas Code § 6-17-811(a)(2)(A), concerning incentives for teacher recruitment and retention in high-priority districts, is amended to read as follows:

(2)(A) "National school lunch students" means those students or the percentage of enrolled students from low socioeconomic backgrounds as indicated by eligibility for free or reduced-price meals under the National School Lunch Act as determined on October 1 of each previous school year and submitted to the ~~Department of Education~~ Division of Elementary and Secondary Education, unless the school district is identified by the ~~Department of Education~~ Division of Elementary and Secondary Education as participating in the special assistance certification and reimbursement alternative implemented under 42 U.S.C. § 1759a, as interpreted in 7 C.F.R. § 245.9.

SECTION 429. Arkansas Code § 6-17-811(c)(2), concerning incentives for teacher recruitment and retention in high-priority districts, is amended to

read as follows:

(2) The superintendent of the high-priority district where the teacher is employed shall certify in writing to the ~~department~~ division that the teacher has completed all contractual obligations for the school year.

SECTION 430. The introductory language of Arkansas Code § 6-17-811(d), concerning incentives for teacher recruitment and retention in high-priority districts, is amended to read as follows:

(d) The ~~department~~ division shall:

SECTION 431. Arkansas Code § 6-17-811(e)(2), concerning incentives for teacher recruitment and retention in high-priority districts, is amended to read as follows:

(2) If the funds appropriated and available for the payment of the bonuses under this section are insufficient to pay the maximum bonus amounts to each qualifying teacher, the ~~department~~ division shall distribute the available funding to qualified teachers on a pro rata basis.

SECTION 432. Arkansas Code § 6-17-812(a)(4), concerning compensation for teaching more than the maximum number of students, is amended to read as follows:

(4)(A) Except when a teacher teaches a course that lends itself to large group instruction, as defined by the ~~Department of Education~~ Division of Elementary and Secondary Education, the maximum number of students a teacher in grades five through twelve (5-12) is permitted to teach without receiving additional compensation under this section shall not exceed one hundred fifty (150) students per day.

(B) The ~~department~~ division shall include in the Standards for Accreditation of Arkansas Public Schools and School Districts the maximum number of students under subdivision (a)(4)(A) of this section.

SECTION 433. Arkansas Code § 6-17-812(e), concerning compensation for teaching more than the maximum number of students, is amended to read as follows:

(e)(1) The ~~department~~ division shall promulgate rules to implement this section.

(2) The rules promulgated by the ~~department~~ division shall include without limitation the manner in which students in grades five (5) and six (6) are to be counted for the purposes of this section.

SECTION 434. Arkansas Code § 6-17-907(f), concerning school district funds, is amended to read as follows:

(f) The county treasurer shall credit all the various federal funds to the consolidated federal grants fund unless otherwise specifically designated by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 435. Arkansas Code § 6-17-907(k), concerning school district funds, is amended to read as follows:

(k) The county treasurer may request representatives of the ~~Division of~~ Arkansas Legislative Audit or of the ~~department~~ Division of Elementary and Secondary Education to assist in establishing and crediting the various percentages of revenue to the respective funds.

SECTION 436. Arkansas Code § 6-17-907(m)(1), concerning school district funds, is amended to read as follows:

(m)(1) If a school district uses a computerized accounting system that properly segregates revenues and disbursements by type and fund in accordance with state law and the ~~division~~ Arkansas Legislative Audit requirements, the school district may request that the county treasurer, serving as school district treasurer, receive and disburse all funds from one (1) operating account.

SECTION 437. Arkansas Code § 6-17-913(b) and (c), concerning audits of school districts accounts, are amended to read as follows:

(b) Where audits are made by a certified public accountant, a certified copy of the audit shall be distributed to the school district, the Department of Finance and Administration, the ~~Department~~ Division of Career and Technical Education, and the ~~Department of Education~~ Division of Elementary and Secondary Education.

(c)(1) ~~The division~~ Arkansas Legislative Audit shall provide a copy of every audit report performed on each school district to the county clerk of

the county in which the school district is located.

(2) The county clerk shall keep a copy of the audit reports performed on the school district on file for at least two (2) years.

SECTION 438. Arkansas Code § 6-17-919(b), concerning void warrants unless a valid license and contract exist, is amended to read as follows:

(b)(1) The school district superintendent and the superintendent's surety shall be liable for any warrants that he or she countersigns in payment of teachers' salaries unless and until the state board has issued a valid license or the ~~Department of Education~~ Division of Elementary and Secondary Education has provided the documentation required by subdivision (a)(1)(B) of this section.

(2) An online copy that is accessible on a website designated by the ~~department~~ division is sufficient evidence of the issuance of a valid license or the documentation required by subdivision (a)(1)(B) of this section.

SECTION 439. The introductory language of Arkansas Code § 6-17-1113(a)(1), concerning the School Worker Defense Program, is amended to read as follows:

(a)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall establish a School Worker Defense Program for the protection under subdivision (a)(2) of this section of:

SECTION 440. Arkansas Code § 6-17-1113(c)(2), concerning the School Worker Defense Program, is amended to read as follows:

(2) Any school districts previously covered by or moneys expended pursuant to the self-insurance program of the ~~department~~ division or the School Worker Defense Program shall be deemed a proper expenditure of state funds.

SECTION 441. Arkansas Code § 6-17-1113(e), concerning the School Worker Defense Program, is amended to read as follows:

(e)(1) The defense fund and protection program authorized in this section shall be a part of and administered by the ~~department~~ division.

(2) The ~~department~~ division shall adopt appropriate rules and

regulations necessary to carry out the purposes of this section.

SECTION 442. Arkansas Code § 6-17-1113(f), concerning the School Worker Defense Program, is amended to read as follows:

(f) Any person entitled to payment under the program may appeal the decision of the ~~department~~ division to the advisory board.

SECTION 443. The introductory language of Arkansas Code § 6-17-1114 is amended to read as follows:

It is the duty of the State and Public School Life and Health Insurance Board, the Supervisor of the Public School Employees Insurance Section and the insurance section employees, the ~~Department of Education~~ Division of Elementary and Secondary Education, and each public school district and their officers and employees:

SECTION 444. Arkansas Code § 6-17-1117(b), concerning health insurance provided by the school district, is amended to read as follows:

(b)(1)(A) The ~~Department of Education~~ Division of Elementary and Secondary Education shall pay the Employee Benefits Division of the Department of Finance and Administration a minimum of sixty-one dollars ($61.00) per month for each eligible employee electing to participate in the public school employees' health insurance program administered by the State and Public School Life and Health Insurance Board.

(B) The ~~Department of Education~~ Division of Elementary and Secondary Education shall make the total contributions under subdivision (b)(1)(A) of this section by transferring fifty-five million dollars ($55,000,000) to the ~~division~~ Employee Benefits Division in twelve (12) equal monthly installments.

(2) The funds provided to the ~~division~~ Employee Benefits Division under this subsection shall be administered by the board for the benefit of the employee participants of the public school employees' health insurance program.

(3)(A) In the event that appropriation or funding is not provided, the ~~Department of Education~~ Division of Elementary and Secondary Education shall not be responsible for the increased payments for the public school employees' health insurance program as established by this section.

(B) If funding and appropriation are provided but are inadequate for the total number of employees electing to participate in the public school employees' health insurance program, the ~~Department of Education~~ Division of Elementary and Secondary Education shall pay a proportional share on behalf of each participant.

(C) If funding and appropriation are provided and exceed the amount needed to make the minimum contribution under subdivision (b)(1)(A) of this section, the ~~Department of Education~~ Division of Elementary and Secondary Education shall pay a proportional share of the excess on behalf of each participant.

SECTION 445. Arkansas Code § 6-17-1118(a)(7), concerning the creation of the School Worker Defense Program Advisory Board, is amended to read as follows:

(7)(A) The Commissioner of Elementary and Secondary Education or his or her designee.

(B) Provided, however, no employee of the ~~Department of Education~~ Division of Elementary and Secondary Education who is charged with administering the defense fund and protection program shall be eligible to serve as the designee of the commissioner.

SECTION 446. Arkansas Code § 6-17-1118(e), concerning the creation of the School Worker Defense Program Advisory Board, is amended to read as follows:

(e)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education may promulgate rules and regulations as necessary for the proper administration of this section to establish an advisory board.

(2) The ~~Department of Education~~ Division of Elementary and Secondary Education shall provide support staff for the advisory board.

SECTION 447. Arkansas Code § 6-17-1405 is amended to read as follows:

6-17-1405. Notification of award — Transfer of available federal funds.

(a) Upon making any award to or in behalf of an employee of any school district, the Workers' Compensation Commission shall notify the appropriate officer of the school district and shall notify the ~~Department of Education~~

Division of Elementary and Secondary Education.

(b) If the salary or compensation of the employee in whose behalf the award was made is paid wholly or partly from federal funds, the ~~department~~ division is authorized to transfer funds from the federal funds available for the program under which such employee was paid to the Public School Fund to reimburse the Public School Fund for funds transferred to the Workers' Compensation Revolving Fund as provided for in this subchapter.

SECTION 448. The introductory language of Arkansas Code § 6-17-1602(e)(1), concerning the creation of the Master School Principal Program, is amended to read as follows:

(e)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education and the academy shall:

SECTION 449. Arkansas Code § 6-17-1603 is amended to read as follows

6-17-1603. Yearly incentive bonus.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall promulgate rules and regulations for the nine thousand dollar ($9,000) yearly incentive bonus provided under this section for principals receiving master school principal status.

(b) The ~~department~~ division shall pay a yearly incentive bonus of nine thousand dollars ($9,000) for every school year for no more than five (5) years to any building-level principal who:

(1) Receives a master school principal designation from the Arkansas Leadership Academy; and

(2) At the time of receiving the bonus, is employed full time as a building-level principal in an Arkansas public school district.

SECTION 450. The introductory language of Arkansas Code § 6-17-1604(b)(1), concerning high-need school salary bonus and hold-back longevity, is amended to read as follows:

(b)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall pay a high-need school salary bonus of twenty-five thousand dollars ($25,000) for every school year for no more than five (5) years to any building-level principal who:

SECTION 451. Arkansas Code § 6-17-1702(1), concerning the definition of "employee" under the Public School Employee Fair Hearing Act, is amended to read as follows:

(1) "Employee" means any person employed by a school district under a written annual contract who is not required to have an educator license issued by the ~~Department of Education~~ Division of Elementary and Secondary Education as a condition of employment;

SECTION 452. Arkansas Code § 6-17-1901(d), concerning the minority teacher and administrator recruitment plan, is amended to read as follows:

(d) The plan shall be a part of the equity assistance plan filed annually with the Equity Assistance Center of the ~~Department of Education~~ Division of Elementary and Secondary Education and shall be updated annually for an additional ten (10) years.

SECTION 453. Arkansas Code § 6-17-1902(a), concerning the Equity Assistance Center and the coordination and contents plan, is amended to read as follows:

(a) The Equity Assistance Center of the ~~Department of Education~~ Division of Elementary and Secondary Education shall provide technical assistance to the school districts in developing recruitment plans.

SECTION 454. Arkansas Code § 6-17-2205(2), concerning paid breaks for certain classified school district employees, is amended to read as follows:

(2) Each school district shall file an affidavit for compliance with the ~~Department of Education~~ Division of Elementary and Secondary Education regarding the Fair Labor Standards Act, 29 U.S.C. § 201 et seq., for classified employees unless the school district policies or state laws impose higher standards.

SECTION 455. Arkansas Code § 6-17-2206(a)(1), concerning highly qualified paraprofessional bonuses provided by the Department of Education, is amended to read as follows:

(a)(1) The purpose of this section is to provide a bonus from the ~~Department of Education~~ Division of Elementary and Secondary Education in recognition of the efforts made by paraprofessional employees who attain

highly qualified status.

SECTION 456. Arkansas Code § 6-17-2301(d)(2), concerning policy requirements for each school district, is amended to read as follows:

(2) By September 15 of each year, a school district shall provide the ~~Department of Education~~ Division of Elementary and Secondary Education with the website address at which its current personnel policies for classified employees, including the salary schedule, may be found.

SECTION 457. Arkansas Code § 6-17-2301(e), concerning policy requirements for each school district, is amended to read as follows:

(e) The ~~department~~ division shall notify any school district that has not posted its policies on the school district website or provided the ~~department~~ division with the website address in accordance with this section.

SECTION 458. Arkansas Code § 6-17-2302(b)(1), concerning the definition of "classified employee" under the Personnel Policy Law for Classified Employees, is amended to read as follows:

(1) “Classified employee” means any person employed by a school district under a written annual contract who is not required to have a teaching license issued by the ~~Department of Education~~ Division of Elementary and Secondary Education as a condition of employment;

SECTION 459. Arkansas Code § 6-17-2402(3)(A), concerning the Teacher Compensation Program, is amended to read as follows:

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

SECTION 460. Arkansas Code § 6-17-2403(c)(1)(A), concerning minimum teacher compensation schedules, is amended to read as follows:

(A) Public school accredited by the ~~Department of Education~~ Division of Elementary and Secondary Education or a nationally recognized accrediting association;

SECTION 461. Arkansas Code § 6-17-2406(c), concerning the applicability of teacher salary schedules and low income status, is amended to read as follows:

(c) The Civilian Student Training Program or the Arkansas National Guard Youth Challenge Program may be designated by the ~~Department of Education~~ Division of Elementary and Secondary Education as a low-income school, and receive the benefits of such designation if the Civilian Student Training Program or the Arkansas National Guard Youth Challenge Program meets the low-income school criteria.

SECTION 462. Arkansas Code § 6-17-2502(2), concerning the definition of "in residence" under the Arkansas Teacher of the Year Act, is amended to read as follows:

(2) “In residence” means working exclusively with the ~~Department of Education~~ Division of Elementary and Secondary Education at a location agreed upon between the ~~department~~ division and the Arkansas Teacher of the Year;

SECTION 463. Arkansas Code § 6-17-2503(a)(1), concerning the Arkansas Teacher of the Year Program, is amended to read as follows:

(a)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall develop a process for selecting the Arkansas Teacher of the Year.

SECTION 464. The introductory language of Arkansas Code § 6-17-2503(e)(1), concerning the Arkansas Teacher of the Year Program, is amended to read as follows:

(1) Work in residence with the ~~department~~ division to:

SECTION 465. Arkansas Code § 6-17-2503(f), concerning the Arkansas Teacher of the Year Program, is amended to read as follows:

(f) During the school year in which a school district’s Arkansas Teacher of the Year is on paid administrative leave, the ~~department~~ division shall reimburse the school district as provided in § 6-17-2505.

SECTION 466. Arkansas Code § 6-17-2505 is amended to read as follows:

6-17-2505. ~~Department of Education~~ Division of Elementary and Secondary Education responsibility.

(a) During the school year in which a school district's Arkansas Teacher of the Year is on paid administrative leave, the ~~Department of Education~~ Division of Elementary and Secondary Education shall reimburse the school district for:

(1) The teacher's salary and benefits; and

(2)(A) Incidental expenses incurred by the teacher as a result of his or her participation in the Arkansas Teacher of the Year Program.

(B) All incidental expenses shall be approved by the ~~department~~ division.

(b) The ~~department~~ division shall be responsible for the reimbursement of any incidental expenses incurred by the teacher during the implementation of the program for the current year.

(c) The ~~department~~ division may receive private donations, grants, or other forms of assistance to help fund any aspect of the program.

(d) The State Board of Education shall promulgate rules as necessary to administer the provisions of this section.

SECTION 467. Arkansas Code § 6-17-2602(1)(D), concerning the lifetime teaching license, is amended to read as follows:

(D) The ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 468. Arkansas Code § 6-17-2604(a), concerning the lifetime teaching license, is amended to read as follows:

(a) A person who meets the eligibility requirements of § 6-17-2603 may apply for a lifetime teaching license by filing an application with the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 469. Arkansas Code § 6-17-2606 is amended to read as follows:

6-17-2606. Rules — Reports.

The ~~Department of Education~~ Division of Elementary and Secondary Education shall:

(1) Develop rules to implement the provisions of this

subchapter; and

(2) Report annually to the General Assembly regarding compliance with each item set forth in this subchapter.

SECTION 470. Arkansas Code § 6-17-2702(a), concerning the determination of eligibility for teachers to receive a supplemental grant from the Science, Technology, Engineering, and Math Fund, is amended to read as follows:

(a) The Arkansas Economic Development Commission, in coordination with the ~~Department of Education~~ Division of Elementary and Secondary Education, shall promulgate rules governing the eligibility of teachers of science, technology, engineering, or math to receive a supplemental grant from the Science, Technology, Engineering, and Math Fund.

SECTION 471. Arkansas Code § 6-17-2703(b), concerning the application process for the Science, Technology, Engineering, and Math Fund, is amended to read as follows:

(b) Selection and identification of qualified science, technology, engineering, and math teachers shall be coordinated with the ~~Department of Education~~ Division of Elementary and Secondary Education for identification of qualified science, technology, engineering, and math teachers.

SECTION 472. Arkansas Code § 6-17-2703(f), concerning the application process for the Science, Technology, Engineering, and Math Fund, is amended to read as follows:

(f) The commission shall review the applications in accordance with rules promulgated by the commission in coordination with the ~~department~~ division to determine if the applicant qualifies for a supplemental grant from the fund.

SECTION 473. Arkansas Code § 6-17-2804(b)(10)(B), concerning the administrative agency responsibilities of the Teacher Excellence and Support System, is amended to read as follows:

(B) The raw data reported to and collected by the ~~Department of Education~~ Division of Elementary and Secondary Education for the purposes of this section, including all or part of the raw data that the

~~department~~ division provides to an expert outside the ~~department~~ division for analysis, is exempt from disclosure under the Freedom of Information Act of 1967, § 25-19-101 et seq.

SECTION 474. Arkansas Code § 6-17-2809(a), concerning the system of administrator leadership support and evaluations, is amended to read as follows:

(a)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall design a system of administrator leadership support and evaluations that:

(A) Is aligned to current leadership standards adopted by the State Board of Education;

(B) Uses multi-tiered systems of professional support and learning for what a leader should know and be able to do; and

(C) Provides a research-based framework to conduct administrator evaluations.

(2) The ~~department~~ division may collaborate with state and national school leadership organizations and institutions of higher education with school leadership preparation programs to develop the system.

SECTION 475. Arkansas Code § 6-18-102(f), concerning legislative findings regarding school uniform policy, is amended to read as follows:

(f) The ~~Department of Education~~ Division of Elementary and Secondary Education and education service cooperatives shall, when possible, assist public schools by providing information regarding uniform dress codes upon request from public school administrators.

SECTION 476. Arkansas Code § 6-18-103(c), concerning selective service registration, is amended to read as follows:

(c) The ~~Department of Education~~ Division of Elementary and Secondary Education shall issue rules and regulations to ensure compliance with the provisions of this section.

SECTION 477. Arkansas Code § 6-18-105 is amended to read as follows:

6-18-105. Skills and knowledge for preparation of kindergarten children.

(a)(1) ~~By December 31, 2003, the~~ The Department of Education shall determine and prepare a list of the skills and knowledge that a child should have in order to be prepared to enter kindergarten.

(2) The list shall be prepared in a manner that will assist parents in preparing their children for kindergarten.

(b)(1) The list shall be available to parents on the ~~Department of Education's~~ Division of Elementary and Secondary Education's website and from the ~~Department of Education~~ Division of Elementary and Secondary Education by mail if requested.

(2) The ~~Department of Education~~ Division of Elementary and Secondary Education shall make reasonable efforts to have the list of skills published in the Happy Birthday Baby Book.

(c)(1) The Department of Human Services shall provide copies of the list to child care facilities licensed by the Division of Child Care and Early Childhood Education.

(2) By December 31, 2003, the Department of Human Services shall adopt rules and regulations requiring child care facilities licensed by the ~~division~~ Division of Child Care and Early Childhood Education each year to distribute the list to the parent of each three-year-old child, four-year-old child, and five-year-old child attending the child care facility.

(d) Nothing in this section shall be construed to require a child to have a certain level of skill or knowledge before enrolling in kindergarten.

SECTION 478. The introductory language of Arkansas Code § 6-18-107(b), concerning the enrollment of military dependents in school, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education shall require a public school to report the enrollment of a student who is a military dependent:

SECTION 479. Arkansas Code § 6-18-109(a)(1)(B), concerning the Student Online Personal Information Protection Act, is amended to read as follows:

(B) Created or provided by an employee or agent of a public school, school district, local education agency, or ~~Department of Education~~ the Division of Elementary and Secondary Education to the operator for public school purposes; or

SECTION 480. Arkansas Code § 6-18-109(a)(2)(B), concerning the Student Online Personal Information Protection Act, is amended to read as follows:

(B) An operator does not include the ~~Department of Education~~ Division of Elementary and Secondary Education, a school district, or an open-enrollment public charter school;

SECTION 481. Arkansas Code § 6-18-109(f)(2)(B), concerning the Student Online Personal Information Act, is amended to read as follows:

(B) As allowed by federal or state law and under the direction of a school, school district, or the ~~department~~ division if no covered information is used for advertising or to compile a profile of a public school student; or

SECTION 482. Arkansas Code § 6-18-201(a)(1)(B)(ii), concerning compulsory school attendance and exceptions, is amended to read as follows:

(ii) The kindergarten waiver form shall be prescribed by rule of the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 483. Arkansas Code § 6-18-202(e)(5)(B), concerning age and residence for attending public schools, is amended to read as follows:

(B) The appeal shall be made to the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 484. Arkansas Code § 6-18-202(e)(6)(A) and (B), concerning age and residence for attending public schools, are amended to read as follows:

(6)(A) The ~~department~~ division shall promulgate rules to establish the procedure for a ~~department~~ division hearing officer to investigate the appeal and conduct a hearing.

(B) The ~~department~~ division hearing officer may compel disclosure of information from both of the school districts in his or her duties.

SECTION 485. Arkansas Code § 6-18-204(b)(5)(B), concerning school attendance in another school district and conditions, is amended to read as

follows:

(B) The amount of tuition shall be agreed upon by both districts before enrollment in the receiving district, except that if an agreement cannot be reached by the opening date of the receiving school, an appeal shall be made to the Assistant Director for Public School Finance and Administrative Support of the ~~Department of Education~~ Division of Elementary and Secondary Education within thirty (30) days from the opening date of school, and his or her decision shall be final.

SECTION 486. Arkansas Code § 6-18-205(b)(1)(B)(i), concerning school attendance in another school district and liability, is amended to read as follows:

(B)(i) Either school district may petition the ~~Department of Education~~ Division of Elementary and Secondary Education to satisfy the liability by transferring that amount to the entitled school district from funds which the ~~department~~ division would have distributed to the liable school district.

SECTION 487. Arkansas Code § 6-18-208(a), concerning requirements for enrollment in public school and exceptions, is amended to read as follows:

(a) Before a child's admission to an Arkansas public school, a school district shall request the parent, guardian, or other responsible person to furnish the child's Social Security number and shall inform the parent, guardian, or other responsible person that, in the alternative, they may request that the school district assign the child a nine-digit number designated by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 488. Arkansas Code § 6-18-208(d)(2), concerning requirements for enrollment in public school and exceptions, is amended to read as follows:

(2) This section shall not apply to educational records that are transferred to or between the ~~department~~ division, other public schools or school districts, or other governmental agencies as allowed or required by federal law, state law, or State Board of Education rule.

SECTION 489. Arkansas Code § 6-18-213(a)(1), concerning school attendance records and reports, is amended to read as follows:

(a)(1) A record of pupil attendance shall be kept by each school district of the state in a format prescribed by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 490. Arkansas Code § 6-18-215(c) and (d), concerning a school enrollment census and determining student dropout rates, are amended to read as follows:

(c) The graduation rates, as defined by the ~~Department of Education~~ Division of Elementary and Secondary Education, shall be tracked for students in grades nine through twelve (9-12).

(d) The ~~Department~~ Division of Elementary and Secondary Education shall use this section for in-state reporting purposes related to school dropout rates.

SECTION 491. Arkansas Code § 6-18-227(b)(1)(B), concerning the Arkansas Opportunity Public School Choice Act of 2004, is amended to read as follows:

(B) The parent, guardian, or the student, if the student is over eighteen (18) years of age, has notified the ~~Department of Education~~ Division of Elementary and Secondary Education and both the sending and receiving school districts of the request for a transfer no later than July 30 of the first year in which the student intends to transfer.

SECTION 492. Arkansas Code § 6-18-227(b)(2)(B), concerning the Arkansas Opportunity Public School Choice Act of 2004, is amended to read as follows:

(B) Application for the opportunity public school choice option shall be provided by the ~~department~~ division, shall contain a notice that a transfer under this subsection shall operate as an irrevocable choice for at least one (1) entire school year, and shall remain in force until the student completes high school as provided in this subsection except as otherwise provided by law.

SECTION 493. Arkansas Code § 6-18-227(d)(4), concerning the Arkansas

Opportunity Public School Choice Act, is amended to read as follows:

(4) The ~~department~~ division shall promulgate rules governing the use of school capacity as a basis for denying admission under this section.

SECTION 494. Arkansas Code § 6-18-227(f), concerning the Arkansas Opportunity Public School Choice Act of 2004, is amended to read as follows:

(f) The ~~department~~ division shall develop an annual report on the status of school choice and deliver the report to the state board, the Governor, and the Legislative Council at least ninety (90) days before the convening of the regular session of the General Assembly.

SECTION 495. Arkansas Code § 6-18-227(j)(1)-(3), concerning the Arkansas Opportunity Public School Choice Act of 2004, are amended to read as follows:

(j)(1) All school districts shall report to the ~~department~~ division on an annual basis the race, gender, and other pertinent information needed to properly monitor compliance with the provisions of this section.

(2) The reports may be on those forms that are prescribed by the ~~department~~ division, or the data may be submitted electronically by the district using a format authorized by the ~~department~~ division.

(3) The ~~department~~ division may put on probation the superintendent of any school district that fails to file its report each year or fails to file any other information with a published deadline requested from school districts by the ~~department~~ division so long as thirty (30) calendar days are given between the request for the information and the published deadline.

(4) A copy of the report shall be provided to the House Committee on Education and the Senate Committee on Education.

SECTION 496. Arkansas Code § 6-18-230(b)(2)(B), concerning the minimum age for enrolling in prekindergarten, is amended to read as follows:

(B) ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 497. Arkansas Code § 6-18-233(c)(2)(B), concerning school choices for children in foster care, is amended to read as follows:

(B) If a public school district claims a conflict under subdivision (c)(2)(A) of this section, the public school district shall immediately submit proof from a federal court to the ~~Department of Education~~ Division of Elementary and Secondary Education that the public school district has a genuine conflict under an active desegregation order or active court-approved desegregation plan with the provisions of this section.

SECTION 498. Arkansas Code § 6-18-233(d)(1)(A), concerning school choices for children in foster care, is amended to read as follows:

(A) Made on a form approved by the ~~Department of Education~~ Division of Elementary and Secondary Education; and

SECTION 499. Arkansas Code § 6-18-233(k), concerning school choices for children in foster care, is amended to read as follows:

(k) The ~~Department of Education~~ Division of Elementary and Secondary Education shall promulgate rules to implement this section.

SECTION 500. Arkansas Code § 6-18-316(b) and (c), concerning the transfer of a student on a petition, are amended to read as follows:

(b) Forms for use in transferring children from one (1) school district to another shall be provided by the ~~Department of Education~~ Division of Elementary and Secondary Education.

(c) After the petition has been approved by the board of directors of the resident district and the board of directors of the receiving district, copies of approved transfers shall be filed by the receiving district with the office of the county clerk, with the administrative offices of the respective school districts, and with the ~~department~~ division.

SECTION 501. Arkansas Code § 6-18-317(b) and (c), concerning prohibited student transfers, are amended to read as follows:

(b) Each form filed with the ~~Department of Education~~ Division of Elementary and Secondary Education reporting a legal student transfer must be accompanied by an affidavit signed by each member of both school district boards of directors stating that the transfer does not violate the prohibition set forth in subsection (a) of this section.

(c) If the transfer fails to comply with subsection (b) of this section, the ~~department~~ division shall withhold from each district state aid in an amount equal to that to be generated by the student in question in the respective districts.

SECTION 502. Arkansas Code § 6-18-319(c), concerning proper contacts of a transfer student, is amended to read as follows:

(c) A school district from which the student transferred has the right to appeal the transfer of the student to the ~~Department of Education~~ Division of Elementary and Secondary Education. The school district to which the student transferred and the parents or guardian of the student shall have the burden to prove the transfer was proper.

SECTION 503. Arkansas Code § 6-18-502(a), concerning the guidelines for development of school district student discipline polices, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall establish guidelines for the development of school district student discipline policies.

SECTION 504. Arkansas Code § 6-18-502(h), concerning the guidelines for development of school district student discipline polices, is amended to read as follows:

(h) In developing the state guidelines for school district discipline policies, the ~~department~~ division shall involve parents, students, teachers, and administrators.

SECTION 505. Arkansas Code § 6-18-503(a)(1)(A), concerning the requirement of written student discipline policies, is amended to read as follows:

(a)(1)(A) Each school district in this state shall develop written student discipline policies in compliance with the guidelines established by the ~~Department of Education~~ Division of Elementary and Secondary Education and shall file such policies with the ~~department~~ division.

SECTION 506. Arkansas Code § 6-18-503(d) and (e), concerning the

requirement of written student discipline policies, are amended to read as follows:

(d) Any amendments or revisions to a school district's student discipline policies shall be developed and adopted in the same manner as the original policies required by § 6-18-502 and shall be consistent with the guidelines established by the ~~department~~ division.

(e) Any amendment or revision to the student discipline policies adopted by a school district shall be submitted to the ~~department~~ division within thirty (30) days after the adoption of such amendment or revision.

SECTION 507. Arkansas Code § 6-18-504(a) and (b), concerning compliance with §§ 6-18-502 and 6-18-503, is amended to read as follows:

6-18-504. Compliance with §§ 6-18-502 and 6-18-503.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall monitor compliance with the requirements of §§ 6-18-502 and 6-18-503, and the State Board of Education shall adopt rules and regulations for the administration of the requirements thereof.

(b) Any school district failing to file the disciplinary policy required by § 6-18-503 with the ~~department~~ division shall have all state aid funds withheld until such disciplinary policy is filed with the ~~department~~ division.

SECTION 508. Arkansas Code § 6-18-506(b), concerning the School Dismissal Act, is amended to read as follows:

(b) Every school district board of directors shall adopt and file with the ~~Department of Education~~ Division of Elementary and Secondary Education written policies concerning the violation of school standards such as disrespect for teachers and classified school employees, vandalism, and other undesirable behavioral patterns.

SECTION 509. Arkansas Code § 6-18-506(e), concerning the School Dismissal Act, is amended to read as follows:

(e) The policy may be revised at any time by filing an updated policy with the ~~department~~ division.

SECTION 510. Arkansas Code § 6-18-507(a)(3), concerning the suspension

or expulsion of a student, is amended to read as follows:

(3) "Nontraditional scheduling" means block or other alternative scheduling as defined by the ~~Department of Education~~ Division of Elementary and Secondary Education; and

SECTION 511. Arkansas Code § 6-18-507(e)(3)(B), concerning the suspension or expulsion of a student, is amended to read as follows:

(B) The principal of each school shall report within a week to the ~~department~~ division the name, current address, and Social Security number of any student who is expelled for possessing a firearm or other prohibited weapon on school property or for committing other acts of violence.

SECTION 512. Arkansas Code § 6-18-507(e)(4)(A), concerning the suspension or expulsion of a student, is amended to read as follows:

(4)(A) The ~~department~~ division shall establish and maintain a registry of students who are expelled for possessing a firearm or other prohibited weapon on school property or for committing other acts of violence.

SECTION 513. The introductory language of Arkansas Code § 6-18-511(d)(1), concerning the removal of a student from class, is amended to read as follows:

(d)(1) If a teacher removes a student from class two (2) times during any nine-week grading period or its equivalent as determined by the ~~Department of Education~~ Division of Elementary and Secondary Education, the principal or the principal's designee may not return the student to the teacher's class unless a conference is held for the purpose of determining the causes of the problem and possible solutions, with the following individuals present:

SECTION 514. Arkansas Code § 6-18-514(i), concerning antibullying policies, is amended to read as follows:

(i) The school district shall provide the ~~Department of Education~~ Division of Elementary and Secondary Education with the website address at which a copy of the policies adopted in compliance with this section may be found.

SECTION 515. The introductory language of Arkansas Code § 6-18-516(b)(1), concerning effective school discipline, is amended to read as follows:

(b)(1) Annually, the ~~Department of Education~~ Division of Elementary and Secondary Education shall report at the school, school district, and state level the following data concerning exclusionary disciplinary actions, in-school suspensions, and corporal punishment:

SECTION 516. The introductory language of Arkansas Code § 6-18-516(b)(2), concerning effective school discipline, is amended to read as follows:

(2) The ~~department~~ division shall report exclusionary disciplinary actions by both:

SECTION 517. Arkansas Code § 6-18-516(c), concerning effective school discipline, is amended to read as follows:

(c) The ~~department~~ division shall report the data required in subsection (b) of this section:

(1) On the website of the ~~department~~ division to the extent that publication is consistent with the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g; and

(2) In a manner that reflects historical trends and allows for the comparison of schools and school districts.

SECTION 518. The introductory language of Arkansas Code § 6-18-516(d), concerning effective school discipline, is amended to read as follows:

(d) The ~~department~~ division shall:

SECTION 519. Arkansas Code § 6-18-516(e), concerning effective school discipline, is amended to read as follows:

(e) The ~~department~~ division, or researcher identified by the ~~department~~ division, shall provide an annual report to the State Board of Education analyzing disciplinary infractions, disciplinary actions, and disciplinary disparities existing throughout the state.

SECTION 520. Arkansas Code § 6-18-705(c), concerning the school breakfast program, is amended to read as follows:

(c) The ~~Department of Education~~ Division of Elementary and Secondary Education may promulgate rules and regulations necessary for implementation of this section in compliance with federal guidelines.

SECTION 521. Arkansas Code § 6-18-705(d)(2), concerning the school breakfast program, is amended to read as follows:

(2) In any high school under the requirements of this section, if fifty percent (50%) or more of the eligible students refuse to participate in the school breakfast program during any year of the program as demonstrated by sufficient proof to the ~~department~~ division, the state board may grant a waiver from the requirements of this section to the high school.

SECTION 522. Arkansas Code § 6-18-705(e), concerning the school breakfast program, is amended to read as follows:

(e) The ~~department~~ division is hereby authorized to withhold state equalization aid from any school district that fails to comply with the provisions of this section.

SECTION 523. Arkansas Code § 6-18-707(c)(1), concerning a prescription asthma inhaler or auto-injectable epinephrine, is amended to read as follows:

(c)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall develop guidelines for use in school districts that allow a student to carry and use an asthma inhaler or auto-injectable epinephrine, or both, while in school, at an on-site school-sponsored activity, or at an off-site school-sponsored activity.

SECTION 524. Arkansas Code § 6-18-707(c)(2)(B)(iii), concerning a prescription asthma inhaler or auto-injectable epinephrine, is amended to read as follows:

(iii) A copy of an individualized healthcare plan for the student prepared in accordance with § 6-18-1005 and any related rules of the ~~department~~ division.

SECTION 525. The introductory language of Arkansas Code § 6-18-

709(a)(3), concerning the Public School Health Services Advisory Committee, is amended to read as follows:

(3) The Commissioner of Elementary and Secondary Education shall appoint:

SECTION 526. The introductory language of Arkansas Code § 6-18-709(a)(3)(A), concerning the Public School Health Services Advisory Committee, is amended to read as follows:

(A) Six (6) members to represent the ~~Department of Education~~ Division of Elementary and Secondary Education as follows:

SECTION 527. Arkansas Code § 6-18-709(a)(3)(G)(ii)(b), concerning the Public School Health Services Advisory Committee, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education; or

SECTION 528. Arkansas Code § 6-18-709(a)(9), concerning the Public School Health Advisory Committee, is amended to read as follows:

(9) The ~~Department of Education~~ Division of Elementary and Secondary Education shall provide office space and staff for the Public School Health Services Advisory Committee.

SECTION 529. Arkansas Code § 6-18-709(f), concerning the Public School Health Services Advisory Committee, is amended to read as follows:

(f)(1) The Public School Health Services Advisory Committee shall identify the information it needs from public school districts and from nurses employed by public school districts to conduct the study and communicate those requests for information to the ~~Department of Education~~ Division of Elementary and Secondary Education in collaboration with the Department of Health.

(2)(A) Each public school nurse or individual designated by the public school shall report the information requested to the ~~Department of Education~~ Division of Elementary and Secondary Education and to the school board of directors not less than yearly.

(B) A school shall continue to report the information

until the Public School Health Services Advisory Committee's term has expired.

(3) The ~~Department of Education~~ Division of Elementary and Secondary Education shall provide the information to the Public School Health Services Advisory Committee in a manner that protects student privacy under state and federal laws.

SECTION 530. The introductory language of Arkansas Code § 6-18-709(g), concerning the Public School Health Advisory Committee, is amended to read as follows:

(g) Annually, beginning on July 1, 2015, a school district shall report the following to the ~~Department of Education~~ Division of Elementary and Secondary Education:

SECTION 531. Arkansas Code § 6-18-712(a), concerning posting the Child Abuse Hotline telephone number in public schools and open-enrollment charter schools, is amended to read as follows:

(a) Each public school and open-enrollment charter school shall post a sign that contains the toll-free telephone number for the Child Abuse Hotline established by the Department of Human Services and the ~~Department~~ Division of Arkansas State Police under § 12-18-301.

SECTION 532. Arkansas Code § 6-18-712(d), concerning posting the Child Abuse Hotline telephone number in public schools and open-enrollment charter schools, is amended to read as follows:

(d)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall administer the requirements under this section.

(2) The ~~Department of Education~~ Division of Elementary and Secondary Education may adopt rules in compliance with this section to carry out the requirements under this section.

SECTION 533. The introductory language of Arkansas Code § 6-18-713(b), concerning student sudden cardiac arrest education, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education shall develop guidelines and other relevant materials to inform and

educate school officials, teachers, athletic coaches, students, and parents about the nature and warning signs of sudden cardiac arrest, including the risks associated with continuing to participate in or practice an athletic activity when experiencing any of the following symptoms:

SECTION 534. Arkansas Code § 6-18-901(a), concerning the maintenance of permanent student records, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education, at the direction of the State Board of Education and in cooperation with any other appropriate state agencies, shall develop and publish an itemized listing of all information to be maintained in a student's permanent record during enrollment in a school district in this state.

SECTION 535. Arkansas Code § 6-18-901(d)(2), concerning the maintenance of permanent student records, is amended to read as follows:

(2) Upon request by the Division of Youth Services of the Department of Human Services, a copy of the education record, as defined by regulations promulgated by the ~~Department of Education~~ Division of Elementary and Secondary Education, shall be transmitted to the ~~division~~ Division of Youth Services within ten (10) school days.

SECTION 536. Arkansas Code § 6-18-1004(a)(2), concerning a school district plan for student services, is amended to read as follows:

(2) Only those trained and certified in the appropriate specialty or following a ~~Department of Education's~~ Division of Elementary and Secondary Education's deficiency removal plan will be assigned to carry out the duties of each service.

SECTION 537. Arkansas Code § 6-18-1007 is amended to read as follows:

6-18-1007. School student services status report.

(a) By January 1, 1994, and each year thereafter, the ~~Department of Education~~ Division of Elementary and Secondary Education shall compile and present to the Governor, the State Board of Education, the Senate Committee on Education, and the House Committee on Education a report outlining monitoring findings and the status of implementing each of the provisions of

this subchapter by the various school districts, including which districts are in substantial compliance with the plan required under this subchapter.

(b)(1)(A) ~~By January 1, 1998, the department~~ The division shall have in place a staffing structure which assures that the ~~department's~~ division's administration and field service staff are responsible for monitoring the ~~department~~ division and local school district implementation and compliance with the provisions of this subchapter.

(B) The ~~department~~ division shall employ one (1) or more persons who shall have a minimum qualification of certification as a school counselor.

(2) Each school district shall be responsible for submitting an annual report to the Assistant ~~Commissioner~~ Director of Learning Services of the ~~Department of Education~~ Division of Elementary and Secondary Education outlining its compliance with and implementation of plans for the provisions of this section.

(3)(A) The Commissioner of Elementary and Secondary Education, in consultation with the appropriate assistant commissioner, shall designate an individual or individuals who shall have a minimum qualification of certification as a school counselor to be responsible for coordinating the monitoring of compliance with this section.

(B) The monitoring shall include interviews with administrators, counselors, students, and teachers.

SECTION 538. Arkansas Code § 6-18-1008 is amended to read as follows:

6-18-1008. Implementation.

(a) The State Board of Education shall cause the Commissioner of Elementary and Secondary Education to designate one (1) employee who shall be responsible for overseeing the implementation of this subchapter.

(b) By January 1, 1994, and each year thereafter, the ~~Department of Education~~ Division of Elementary and Secondary Education shall compile and present to the Governor, the state board, the House Committee on Education, and the Senate Committee on Education a report outlining the status of implementing each of the provisions of this subchapter by the various school districts.

SECTION 539. Arkansas Code § 6-18-1104(b), concerning the procedure

for participation in elementary school fund-raising programs, is amended to read as follows:

(b) A one-page form for parental notification and permission shall be developed by the ~~Department of Education~~ Division of Elementary and Secondary Education in cooperation with school administrators and the Arkansas Parent Teacher Association.

SECTION 540. Arkansas Code § 6-18-1302(4)(A), concerning the definition of "questionnaire or survey" under the Parental Authorization of Questionnaires Act, is amended to read as follows:

(4)(A) "Questionnaire or survey" means a list or group of questions, responses to which are provided to a person or an entity other than a public school, a public school district, the ~~Department of Education~~ Division of Elementary and Secondary Education, or any branch of the United States Government.

SECTION 541. Arkansas Code § 6-18-1501(a)(1)(B)(i), concerning vision screenings, is amended to read as follows:

(B)(i) The ~~Department of Education~~ Division of Elementary and Secondary Education shall ensure the provision of all general revenues necessary to access federal funds for eye and vision screenings for all qualified federal healthcare program recipients.

SECTION 542. The introductory language of Arkansas Code § 6-18-1501(b), concerning vision screenings, is amended to read as follows:

(b) An eye and vision screening shall include the following tests, procedures, equipment, and instruments approved by the Arkansas Commission on Eye and Vision Care of School-Age Children and the ~~department~~ division:

SECTION 543. Arkansas Code § 6-18-1502(b)(1), concerning child eye exams, is amended to read as follows:

(b)(1) If a child does not receive an appropriate examination, as evidenced by a certificate signed by an optometrist or ophthalmologist acknowledging the examination, then the public school or public charter school where the child is registered shall report the child to the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 544. Arkansas Code § 6-18-1503(a), concerning standardized forms for eye and vision screening reports, is amended to read as follows:

(a) Standardized forms for eye and vision screening reports shall be developed by the ~~Department of Education~~ Division of Elementary and Secondary Education in conjunction with the Arkansas Commission on Eye and Vision Care of School-Age Children and adopted by the ~~department~~ division in regulations promulgated under the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

SECTION 545. Arkansas Code § 6-18-1504 is amended to read as follows:

6-18-1504. Training.

The ~~Department of Education~~ Division of Elementary and Secondary Education, in conjunction with the Arkansas Commission on Eye and Vision Care of School-Age Children, shall adopt regulations that establish standards for training school nurses to perform eye and vision screenings.

SECTION 546. Arkansas Code § 6-18-1602(2)(B)(i), concerning the definition of "Smart Core" under the Universal ACT Assessment Program Act, is amended to read as follows:

(i) Established by rules of the state board in coordination with the ~~Department~~ Division of Higher Education; and

SECTION 547. Arkansas Code § 6-18-1603 is amended to read as follows:

6-18-1603. Creation.

There is created in the ~~Department of Education~~ Division of Elementary and Secondary Education the Universal ACT Assessment Program to be developed, implemented, and administered by the ~~department~~ division as provided in this subchapter.

SECTION 548. Arkansas Code § 6-18-1606(a), concerning implementation of the Universal ACT Assessment Program, is amended to read as follows:

(a) Beginning with the 2017-2018 school year, the Universal ACT Assessment Program may provide each student in grades nine (9), ten (10), eleven (11), or twelve (12) with the opportunity to take the ACT Assessment while in grades nine (9), ten (10), eleven (11), or twelve (12) without any

charge by using school district funding, including National School Lunch Act funds, 42 U.S.C. § 1751 et seq., to pay for the exams as approved by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 549. Arkansas Code § 6-18-1607 is amended to read as follows:

6-18-1607. Rules.

The ~~Department~~ Division of Higher Education and the ~~Department of Education~~ Division of Elementary and Secondary Education shall develop rules for the administration of this subchapter.

SECTION 550. Arkansas Code § 6-18-1608 is amended to read as follows:

6-18-1608. Reporting.

The ~~Department~~ Division of Higher Education and the ~~Department of Education~~ Division of Elementary and Secondary Education shall submit a combined annual report to the Legislative Council by December 1 of each year that establishes compliance with this subchapter, provides data on the number of participants in the Universal ACT Assessment Program, and outlines the impact of this program on the college readiness of high school seniors and the remediation rates at institutions of higher education.

SECTION 551. Arkansas Code § 6-18-1905(a)(2), concerning the application for a transferring student, is amended to read as follows:

(2) On a form approved by the ~~Department of Education~~ Division of Elementary and Secondary Education; and

SECTION 552. Arkansas Code § 6-18-1906(a)(2), concerning the limitations of the Public School Choice Act of 2015, is amended to read as follows:

(2) Annually by January 1, a school district that claims a conflict under subdivision (a)(1) of this section shall submit proof from a federal court to the ~~Department of Education~~ Division of Elementary and Secondary Education that the school district has a genuine conflict under an active desegregation order or active court-approved desegregation plan that explicitly limits the transfer of students between school districts.

SECTION 553. Arkansas Code § 6-18-1906(a)(4)-(6), concerning the

limitations of the Public School Choice Act of 2015, are amended to read as follows:

(4)(A) Within thirty (30) calendar days of receipt of proof under subdivision (a)(2) of this section, the ~~department~~ division shall notify the school district whether it is required to participate in the school choice provisions of this subchapter.

(B) The ~~department~~ division may reject incomplete submissions.

(C) If the ~~department~~ division does not provide a written exemption to the school district, then the school district shall be required to participate in the school choice provisions of this subchapter.

(5) The ~~department~~ division shall maintain on its website a list of school districts that are not required to participate in the school choice provisions of this subchapter.

(6) The State Board of Education may review a decision of the ~~department~~ division upon written petition of the affected school district and may affirm or reverse the decision of the ~~department~~ division under the rules promulgated by the state board to implement this subsection.

SECTION 554. Arkansas Code § 6-18-1906(b)(2), concerning the limitations of the Public School Choice Act of 2015, is amended to read as follows:

(2) Annually by December 15, the ~~department~~ division shall report to each school district the net maximum number of school choice transfers for the next school year.

SECTION 555. Arkansas Code § 6-19-102(d), concerning the authority to transport students and vehicles, is amended to read as follows:

(d) A bus or other vehicle used in transporting pupils in one (1) district shall not be used to transport pupils in another district without the consent of the ~~Department of Education~~ Division of Elementary and Secondary Education, except as specifically allowed by law.

SECTION 556. Arkansas Code § 6-20-106 is amended to read as follows:

6-20-106. Amendment 74 rules and regulations.

Due to pending public school finance litigation, before any rules and

regulations pursuant to the implementation of Arkansas Constitution, Amendment 74, are reviewed by the Subcommittee on Administrative Rules and Regulations of the Legislative Council and adopted by the ~~Department of Education~~ Division of Elementary and Secondary Education, such proposed rules and regulations shall be reviewed by the Litigation Reports Oversight Subcommittee of the Legislative Council.

SECTION 557. The introductory language of Arkansas Code § 6-20-107(b), concerning educational cost reimbursement prohibition, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education, a public school district, or an open-enrollment public charter school shall not be liable for any educational costs or other related costs associated with the placement of a juvenile in an out-of-state residential or inpatient facility for any care and treatment, including psychiatric treatment, unless:

SECTION 558. The introductory language of Arkansas Code § 6-20-107(b)(2), concerning educational cost reimbursement prohibition, is amended to read as follows:

(2) The ~~department~~ division authorizes public payment for educational costs based on a determination that the educational program and facilities are appropriate for the juvenile and the ~~Department~~ division has approved the facility's educational program; and

SECTION 559. The introductory language of Arkansas Code § 6-20-107(b)(3)(B), concerning educational cost reimbursement prohibition, is amended to read as follows:

(B) If the educational program is not authorized before placement, the ~~department~~ division, public school districts, or open-enrollment public charter schools shall not be responsible for education or other related costs, nor shall they be subject to any order to pay for educational or other related costs.

SECTION 560. Arkansas Code § 6-20-107(c)-(f), concerning educational cost reimbursement prohibition, are amended to read as follows:

(c) The ~~department~~ division, a public school district, or an open-enrollment public charter school shall not be liable for any educational costs or other related costs associated with the placement of a juvenile in an in-state residential or inpatient facility for any care and treatment, including psychiatric treatment, unless:

(1) The ~~department~~ division authorizes public payment for educational costs based on a determination that the educational program and facilities are appropriate for the juvenile and the ~~department~~ division has approved the facility's educational program; and

(2)(A) Each educational program authorization precedes the placement.

(B) If the educational program is not authorized before the placement, the ~~department~~ division, public school districts, or open-enrollment public charter schools shall not be responsible for education or other related costs, nor shall they be subject to any order to pay for educational or other related costs.

(d) The liability of the ~~department~~ division, a public school district, or an open-enrollment public charter school for the educational costs or other related costs described in subsections (b) and (c) of this section shall be limited to the lesser of:

(1) The reimbursement rate established by the ~~department~~ division for a juvenile placed in a residential or inpatient facility; or

(2) The normal and customary educational cost reimbursement rate of the state in which a juvenile is placed in an out-of-state residential or inpatient facility as determined by the ~~department~~ division.

(e) This section shall not apply to a juvenile placed in an Arkansas juvenile detention facility as defined in § 6-20-104.

(f) Nothing in this section shall be construed to require payment by the ~~department~~ division, a public school district, or an open-enrollment public charter school for educational costs and other related costs associated with the placement of a juvenile in an out-of-state residential or inpatient facility for any care or treatment, including psychiatric treatment, before April 7, 2005.

SECTION 561. Arkansas Code § 6-20-210 is amended to read as follows:

6-20-210. Pulaski County desegregation.

(a) For the fiscal year ending June 30, 2004, and for each fiscal year thereafter, the ~~Department of Education~~ Division of Elementary and Secondary Education shall, from time to time as needed, certify to the Treasurer of State and the Chief Fiscal Officer of the State the amount of funds disbursed or approved to be disbursed by the ~~department~~ division for desegregation expenses under the Pulaski County School Desegregation Settlement Agreement.

(b) Upon the receipt of the certification and after making those deductions as set out in § 19-5-202(b)(2)(B), the Treasurer of State shall also deduct from the net general revenues the amount certified and transfer this amount to the ~~Department of Education~~ Division of Elementary and Secondary Education Public School Fund Account, there to be used exclusively for payment of or reimbursement for expenses incurred from the ~~Department of Education~~ Division of Elementary and Secondary Education Public School Fund Account under the agreement.

SECTION 562. Arkansas Code § 6-20-212 is amended to read as follows:

6-20-212. Desegregation expenses.

(a) ~~For the fiscal year ending June 30, 2005, and for each fiscal year thereafter, the Department of Education~~ The Division of Elementary and Secondary Education shall from time to time, as needed, certify to the Treasurer of State and the Chief Fiscal Officer of the State, the amount of funds disbursed or approved to be disbursed by the ~~department~~ division for desegregation expenses under any desegregation settlement agreement.

(b) Upon the receipt of the certification, the Treasurer of State, after making those deductions as set out in § 19-5-202(b)(2)(B), shall also deduct from the net general revenues the amount certified and transfer this amount to the ~~Department of Education~~ Division of Elementary and Secondary Education Public School Fund Account, there to be used exclusively for payment of or reimbursement for expenses incurred from the account under any desegregation settlement agreement.

SECTION 563. Arkansas Code § 6-20-223(b), concerning noncredit remedial courses, is amended to read as follows:

(b) Nothing in this section shall be interpreted as authorizing a state-supported institution to receive direct payments from the ~~Department of Education~~ Division of Elementary and Secondary Education or from a school

district for noncredit remedial courses taken by a student.

SECTION 564. Arkansas Code § 6-20-224 is amended to read as follows:

6-20-224. Federal turnback funds.

Any federal mineral leasing funds, federal forest reserve funds, federal flood control funds, or any similar turnback funds in the State Treasury for which the eligible county or school district cannot be identified may be transferred to the ~~Department of Education~~ Division of Elementary and Secondary Education Public School Fund Account and used for any lawful school purpose.

SECTION 565. Arkansas Code § 6-20-402(b)(4), concerning a limitation on current indebtedness, postdated warrants and installment contracts, and liability, is amended to read as follows:

(4) A copy of any guaranteed energy savings contract that is executed in connection with the acquisition, installation, or construction of energy conservation measures under this section shall be filed with the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 566. Arkansas Code § 6-20-402(c)(1)(E), concerning a limitation on current indebtedness, postdated warrants and installment contracts, and liability, is amended to read as follows:

(E) The school district obtains the prior written approval of the ~~department~~ division to refinance one (1) or more outstanding postdated warrants, lease-purchase agreements, or installment contracts.

SECTION 567. The introductory language of Arkansas Code § 6-20-402(d)(6), concerning a limitation on current indebtedness, postdated warrants and installment contracts, and liability, is amended to read as follows:

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

SECTION 568. Arkansas Code § 6-20-402(e)(2)(A)(ii), concerning a limitation on current indebtedness, postdated warrants and installment

contracts, and liability, is amended to read as follows:

(ii) Submits a written request for payment of the amount of the unpaid judgment and a certified copy of the final judgment to the Commissioner of Elementary and Secondary Education and the superintendent of the school district.

SECTION 569. Arkansas Code § 6-20-402(f), concerning a limitation on current indebtedness, postdated warrants and installment contracts, and liability, is amended to read as follows:

(f) If the state board withholds state aid from a school district under subsection (e) of this section, the school district shall be identified by the ~~department~~ division to be a school district in fiscal distress under § 6-20-1906.

SECTION 570. The introductory language of Arkansas Code § 6-20-415(a), concerning the hiring of public school district desegregation consultants, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education in consultation with the Attorney General shall hire consultants on the following basis:

SECTION 571. Arkansas Code § 6-20-415(b) and (c), concerning the hiring of public school district desegregation consultants, is amended to read as follows:

(b) The ~~department~~ division shall not pay the consultant fees or expenses from moneys appropriated and available for the reimbursement of attorney's fees to the three (3) Pulaski County school districts under § 6-20-416.

(c)(1) The ~~department~~ division and the Attorney General also may hire consultants with expertise in the fields of auditing and forensic accounting to provide oversight and management of the three (3) Pulaski County school districts' finances with an emphasis on desegregation funding.

(2) The consultants hired by the ~~department~~ division and the Attorney General shall have full authority to examine any documents and software and shall be allowed full access to any persons necessary to discharge the consultants' duties as directed by the ~~department~~ division and

the Attorney General.

(3) In addition to the authority otherwise granted to the State Board of Education and the ~~department~~ division by law, the ~~department~~ division may require a school district to modify, update, or change the school district's financial oversight or management policies, procedures, or practices in response to the recommendations of the consultants.

(4) A school district that fails to comply with the requirements of the ~~department~~ division under this subsection shall be identified by the ~~department~~ division as being in fiscal distress and subject to the applicable enforcement provisions as provided by law.

SECTION 572. Arkansas Code § 6-20-416(a), concerning desegregation funding, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education and the Attorney General are authorized to seek proper federal court review and determination of the current unitary status of any school district in the case of Little Rock School District v. Pulaski County Special School District No. 1, et al., No. LR-C-82-866.

SECTION 573. The introductory language of Arkansas Code § 6-20-416(b)(1), concerning desegregation funding, is amended to read as follows:

(b)(1) ~~Upon July 31, 2007, the department~~ The division and the Attorney General are authorized to seek modification of the current consent decree or enter into a new or an amended consent decree or settlement agreement under this section that allows the State of Arkansas to:

SECTION 574. Arkansas Code § 6-20-416(c)(1), concerning desegregation funding, is amended to read as follows:

(c)(1) The ~~department~~ division in consultation with the Attorney General shall have the authority to enter into agreements with the three (3) Pulaski County school districts to reimburse the school districts for legal fees incurred for seeking unitary status or partial unitary status.

SECTION 575. Arkansas Code § 6-20-416(e), concerning desegregation funding, is amended to read as follows:

(e)(1) A school district receiving state funds under a federal court

order or a settlement agreement in desegregation litigation shall categorize and describe the state funds received and any expenditure of those funds according to the uniform chart of accounts and codes established by the ~~department~~ division.

(2) The ~~department~~ division shall modify, as necessary, the Arkansas Financial Accounting Handbook or the Arkansas Educational Financial Accounting and Reporting System, or both, to ensure that the uniform chart of accounts and codes is available to accurately monitor:

(A) State funding paid to a school district under the federal court order or settlement agreement; and

(B) All expenditures of that funding.

(3) An error related to the coding and reporting of the state funds that causes a material misstatement of financial information is cause for determining a deficiency under the ~~Department of Education~~ Division of Elementary and Secondary Education Rules Governing the Arkansas Financial Accounting and Reporting System and Annual Training Requirements.

SECTION 576. The introductory language of Arkansas Code § 6-20-416(f), concerning desegregation funding, is amended to read as follows:

(f) By September 1 of each year, a school district that receives state funding pursuant to a federal court order or settlement agreement in desegregation litigation shall report to the ~~department~~ division, in the form and manner established by the ~~department~~ division, the following:

SECTION 577. Arkansas Code § 6-20-416(f)(2)(F), concerning desegregation funding, is amended to read as follows:

(F) Any other pertinent information as determined by the ~~department~~ division;

SECTION 578. Arkansas Code § 6-20-416(f)(3)(D), concerning desegregation funding, is amended to read as follows:

(D) The ~~department~~ division may determine additional guidelines regarding the necessary level of specificity;

SECTION 579. Arkansas Code § 6-20-416(g) and (h), concerning desegregation funding, are amended to read as follows:

(g)(1) A school district not utilizing the Arkansas Public School Computer Network shall provide the ~~department~~ division and the Attorney General, or their designees, full and complete, real-time access to the accounting and school district financial management software utilized by the school district.

(2) A school district may satisfy the obligation under subdivision (g)(1) of this section by converting to the Arkansas Public School Computer Network, but the school district still shall provide the ~~department~~ division and the Attorney General, or their designees, with full and complete access to the prior financial management system.

(h) This section shall not:

(1) Force entry of a consent decree or settlement agreement by the ~~department~~ division or the Attorney General with the three (3) Pulaski County school districts; or

(2) Protect any school district from action or sanction by the ~~department~~ division for fiscal, academic, or facilities distress.

SECTION 580. Arkansas Code § 6-20-504(b)(3) and (4), concerning children living in foster homes, are amended to read as follows:

(3) If the school district to which the request is made fails or refuses to pay the requested funds to the requesting school district within thirty (30) days after receiving the request, the requesting school district may notify the ~~Department of Education~~ Division of Elementary and Secondary Education of the fact, and the ~~department~~ division shall investigate the facts of the request and the refusal to remit payment.

(4) If the ~~department~~ division determines that the funds requested were due the requesting school district as provided in this section, the ~~department~~ division shall notify the school districts involved of the determination and shall withhold the amount thereof from the next state aid funds available for distribution to the school district that failed or refused to remit the funds as provided in this subchapter and shall pay the amount over to the requesting school district as provided in this section, to be used for the education of the child living in a foster home who is a student in the school district during the current school year.

SECTION 581. Arkansas Code § 6-20-510 is amended to read as follows:

6-20-510. Confidentiality of records.

All files and records that are required by the laws of this state or under the provisions of applicable federal laws or regulations to be kept confidential and all court orders pertaining to the confidentiality of records or prohibiting or limiting the disclosure thereof pertaining to a child living in a foster home or a child with disabilities under the provisions of this subchapter shall be strictly complied with by the respective school districts and by the ~~Department of Education~~ Division of Elementary and Secondary Education in all correspondence and transactions pertaining to the administration of the provisions of this subchapter.

SECTION 582. Arkansas Code § 6-20-601(b)(1), concerning the qualifications for schools to receive isolated school district funding, is amended to read as follows:

(1) The school district's budget is prepared by the school district with ~~Department of Education~~ Division of Elementary and Secondary Education approval;

SECTION 583. Arkansas Code § 6-20-602(b)(2)(D)(ii), concerning isolated schools, is amended to read as follows:

(ii) This section shall not be construed to restrict the authority of the ~~Department of Education~~ Division of Elementary and Secondary Education and the state board otherwise granted by law.

SECTION 584. Arkansas Code § 6-20-603(f) and (g), concerning the continued support of isolated school districts, is amended to read as follows:

(f) For the purposes of this section, school districts with isolated school areas shall account for the average daily membership of all schools located in the isolated school areas as required by the ~~Department of Education~~ Division of Elementary and Secondary Education and shall submit reports as required by the ~~department~~ division.

(g) The ~~Department~~ division shall distribute isolated funding under this section in two (2) payments per school year.

SECTION 585. Arkansas Code § 6-20-709(c), concerning school lunch

menus, is amended to read as follows:

(c) The Child Health Advisory Committee, the Child Nutrition Unit of the ~~Department of Education~~ Division of Elementary and Secondary Education, and the Department of Health shall provide technical assistance as necessary.

SECTION 586. Arkansas Code § 6-20-801(c)(1), concerning the continuance of the Revolving Loan Fund, is amended to read as follows:

(1) To pay expenses of the operation of the revolving loan program administered by the state board and the ~~Department of Education~~ Division of Elementary and Secondary Education; and

SECTION 587. Arkansas Code § 6-20-1204(c)(1), concerning form of bonds and security, is amended to read as follows:

(c)(1) As additional security for the payment of any bond of a school district, the Commissioner of Elementary and Secondary Education shall cure a delinquency in payment by withholding state funding due the district.

SECTION 588. Arkansas Code § 6-20-1204(c)(3), concerning form of bonds and security, is amended to read as follows:

(3) If the commisioner withholds state funding from a school district pursuant to this subsection, the ~~Department of Education~~ Division of Elementary and Secondary Education shall identify the school district to be a school district in fiscal distress under the Arkansas Fiscal Assessment and Accountability Program, § 6-20-1901 et seq.

SECTION 589. Arkansas Code § 6-20-1204(d)(3), concerning form of bonds and security, is amended to read as follows:

(3)(A) If the designated paying agent does not receive the bond payment from the district at least five (5) calendar days before the date the payment is due under the authorizing documents, the ~~department~~ division immediately shall cure any deficiency in payment by making payment in the full amount of the deficiency to the designated paying agent.

(B) If the commissioner determines that payment has been made by the school district and that a payment deficiency does not exist, the ~~department~~ division shall not make the payment under subdivision (d)(3)(A) of this section.

(C) If the ~~department~~ division makes payment under subdivision (d)(3)(A) of this section, it may identify the school district on behalf of which the payment is made to be a school district in fiscal distress under the Arkansas Fiscal Assessment and Accountability Program, § 6-20-1901 et seq.

(D)(i) If the ~~department~~ division makes payment under subdivision (d)(3)(A) of this section, a school district shall be indebted to the ~~department~~ division in the full amount paid by the ~~department~~ division and immediately shall remit the full amount to the ~~department~~ division.

(ii) If a school district does not remit the full amount to the ~~department~~ division under subdivision (d)(3)(D)(i) of this section, the ~~department~~ division shall withhold from the school district the next distribution of state funding in an amount sufficient to reimburse the ~~department~~ division for the payment.

(iii) In the event that the amount of state funding next due to be distributed to the school district is not sufficient to reimburse the ~~department~~ division, the ~~department~~ division shall continue to withhold state funding due to the school district until the ~~department~~ division is fully reimbursed.

(iv) If the commissioner determines that payment has been made to the ~~Department~~ division by the school district and that the obligation of the school district to the ~~Department~~ division no longer exists, the ~~Department~~ division shall not withhold from the school district the distribution of state funding under subdivisions (d)(3)(D)(ii) and (iii) of this section.

SECTION 590. Arkansas Code § 6-20-1205(a)(1), concerning the submission of a statement prior to issuing bonds and approval, is amended to read as follows:

(1) Shall furnish to the Commissioner of Elementary and Secondary Education a statement of the amount proposed to be borrowed and of the maturity of the indebtedness, a financial statement of the affairs of the school district, and a certificate from the county clerk showing the then-assessed valuation of the real, personal, and utility property in the school district; and

SECTION 591. Arkansas Code § 6-20-1205(c), concerning the submission of a statement prior to issuing bonds and approval, is amended to read as follows:

(c) The ~~Department of Education~~ Division of Elementary and Secondary Education is authorized to adopt procedural rules and regulations to enforce the provisions of this section.

SECTION 592. Arkansas Code § 6-20-1216(a), concerning the authority to use refunding bonds, is amended to read as follows:

(a) Any school district of Arkansas shall have the right, subject to procedural rules and regulations adopted by the ~~Department of Education~~ Division of Elementary and Secondary Education, to refund its bonds outstanding at any time. Any ~~department~~ division rule or regulation that would prevent or delay a school district from refunding outstanding bonds may be waived by the Commissioner of Elementary and Secondary Education or the commissioner's designee provided that the commissioner or the commissioner's designee determines that it is in the best interest of the school district to proceed with the refunding immediately.

SECTION 593. Arkansas Code § 6-20-1218(a), concerning refunding bonds, maximum amounts, and conversion and sale, is amended to read as follows:

(a) When the refunding bonds are issued to be exchanged for outstanding bonds, it shall not be necessary to advertise them for sale, but they may be executed and delivered to the ~~Department of Education~~ Division of Elementary and Secondary Education, and the Commissioner of Elementary and Secondary Education shall, from time to time, as outstanding bonds are presented to him or her for exchange, certify and deliver refunding bonds in face value of the same proportion of the total face value of the refunding bond issue that the face value of the surrendered bonds bears to the total face value of the outstanding bonds to be refunded.

SECTION 594. Arkansas Code § 6-20-1223(a)(3), concerning the refunding of bonds and issuance without election, is amended to read as follows:

(3) The issue has been approved by the Commissioner of Elementary and Secondary Education or the commissioner's designee subject to ~~Department of Education~~ Division of Elementary and Secondary Education rules

and regulations.

SECTION 595. Arkansas Code § 6-20-1801 is amended to read as follows:

6-20-1801. Filing of audit reports.

(a)(1) Unless a shorter period is prescribed by law or regulation, all school districts' annual audits not conducted by the ~~Division of~~ Arkansas Legislative Audit shall be completed and filed with the ~~Department of Education~~ Division of Elementary and Secondary Education and the Arkansas Legislative Audit within nine (9) months following the end of each fiscal year.

(2) At the request of the school district, the ~~department~~ Division of Elementary and Secondary Education may grant an extension of up to ninety (90) days on the deadline under this subsection.

(b)(1) All school district contracts for audit services with private certified public accountants shall contain a provision requiring completion of the audit and filing of the audit reports by the auditor with the ~~department~~ Division of Elementary and Secondary Education and Arkansas Legislative Audit within nine (9) months following the end of each fiscal year.

(2) At the request of the school district, the ~~department~~ Division of Elementary and Secondary Education may grant an extension of up to ninety (90) days on the deadline under this subsection.

(c) Arkansas Legislative Audit shall annually provide the ~~department~~ Division of Elementary and Secondary Education a list of school districts audited by Arkansas Legislative Audit and update the ~~department~~ Division of Elementary and Secondary Education on any changes throughout the year.

(d)(1) If the ~~department~~ Division of Elementary and Secondary Education has identified a school as being in fiscal distress by June 30 of any year, the annual audit of that school district shall be completed and filed with the ~~department~~ Division of Elementary and Secondary Education and the Legislative Joint Auditing Committee within six (6) months following the end of each fiscal year.

(2) If the committee determines that circumstances warrant, the committee may extend the time to file the audit report of a fiscally distressed school district up to an additional ninety (90) days.

SECTION 596. Arkansas Code § 6-20-1802 is amended to read as follows:

6-20-1802. Fiscal distress for failure to file.

(a) Any school district failing to file an audit report required by § 6-20-1801 within the nine-month time period or within the time period under any extension granted by the ~~Department of Education~~ Division of Elementary and Secondary Education shall automatically be considered by the ~~department~~ division to be in fiscal distress.

(b) By January 31 of each year, the ~~department~~ division, by certified mail, shall notify any school district failing to file the required audit report that the school district is considered in fiscal distress.

SECTION 597. Arkansas Code § 6-20-1803(a), concerning questionable audit reports, is amended to read as follows:

(a) If the ~~Department of Education~~ Division of Elementary and Secondary Education or the Legislative Joint Auditing Committee is concerned that a particular audit may be substandard or seriously questionable with respect to applicable professional auditing standards, the ~~department~~ division or the committee may file a complaint on the audit report to the Arkansas State Board of Public Accountancy.

SECTION 598. Arkansas Code § 6-20-1804 is amended to read as follows:

6-20-1804. List of ineligible accountants.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall maintain a list of accountants or accounting firms ineligible to conduct school district audits. Accountants or accounting firms placed on the ineligibility list by the ~~department~~ Division of Elementary and Secondary Education shall be ineligible to conduct school audits for a period determined by the ~~department~~ Division of Elementary and Secondary Education but which shall not exceed a five-year period from the end of the fiscal year for which the audit report was contracted to be prepared.

(b) Before entering into contracts for audit services, school districts shall inquire with the ~~department~~ Division of Elementary and Secondary Education which accountants are ineligible to conduct public school audits.

(c) The ~~department~~ Division of Elementary and Secondary Education may place accountants or accounting firms on the ineligibility list for any of

the following reasons:

(1) If, in the opinion of the ~~department~~ Division of Elementary and Secondary Education or the Legislative Joint Auditing Committee, a school district audit report is not filed within the nine-month time period or within the time period under any extension granted by the ~~department~~ Division of Elementary and Secondary Education with the ~~department~~ Division of Elementary and Secondary Education and Arkansas Legislative Audit as required by § 6-20-1801 because of neglect or fault of the certified public accountant or accounting firm;

(2) If the Quality Review Committee of the Arkansas State Board of Public Accountancy reports to the ~~department~~ Division of Elementary and Secondary Education and the Legislative Joint Auditing Committee that a school district audit report shows evidence of lack of general conformity with applicable professional standards or state laws and regulations or evidence that the report is substandard or seriously questionable; or

(3) Any other compelling reason that the ~~department~~ Division of Elementary and Secondary Education believes justifies placing the accountant or accounting firm on the ineligibility list.

SECTION 599. Arkansas Code § 6-20-1902 is amended to read as follows:

6-20-1902. Purpose.

The purpose of this subchapter shall be to establish and implement a program by which the ~~Department of Education~~ Division of Elementary and Secondary Education shall identify, assess, and address school districts in fiscal distress.

SECTION 600. Arkansas Code § 6-20-1903(3), concerning the Arkansas Fiscal Assessment and Accountability Program, is repealed.

~~(3) "Department" means the Department of Education;~~

SECTION 601. Arkansas Code § 6-20-1903(4), concerning the Arkansas Fiscal Assessment and Accountability Program, is amended to read as follows:

(4) "Fiscal distress status" means a public school district determined by the ~~department~~ Division of Elementary and Secondary Education and classified by the State Board of Education as being placed in fiscal distress status pursuant to this subchapter;

SECTION 602. The introductory language of Arkansas Code § 6-20-1904(a), concerning the indicators of fiscal distress, is amended to read as follows:

(a) A school district meeting any of the following criteria may be identified by the ~~Department of Education~~ Division of Elementary and Secondary Education to be a school district in fiscal distress upon final approval by the State Board of Education:

SECTION 603. The introductory language of Arkansas Code § 6-20-1904(a)(2)(E), concerning the indicators of fiscal distress, is amended to read as follows:

(E) Material failure to provide timely and accurate legally required financial reports to the ~~department~~ division, Arkansas Legislative Audit, the General Assembly, or the Internal Revenue Service;

SECTION 604. The introductory language of Arkansas Code § 6-20-1904(b), concerning the indicators of fiscal distress, is amended to read as follows:

(b)(1) By August 31 of each year, the ~~department~~ division shall report to the superintendent of a school district if the ~~department~~ division is aware that the school district has experienced two (2) or more indicators of fiscal distress in one (1) school year that the ~~department~~ division deems to be at a nonmaterial level but that without intervention could place the district in fiscal distress.

(2) The superintendent of a school district shall report to the ~~department~~ division if the superintendent is aware the school district has experienced two (2) or more indicators of fiscal distress in one (1) school year that the superintendent deems to be at a nonmaterial level but that without intervention could place the district in fiscal distress.

(3)(A) The ~~department~~ division and the superintendent shall review all data related to the nonmaterial indicators of fiscal distress.

(B)(i) Within thirty (30) days of the ~~department's~~ division's determination that the school district may be experiencing fiscal distress at a nonmaterial level, the ~~department~~ division shall provide a notice to the school district's superintendent and board of directors that:

(a) Describes the nonmaterial indicators of fiscal distress that could jeopardize the fiscal integrity of the school district if not addressed; and

(b) Identifies the support available from the ~~department~~ division to address each nonmaterial indicator of fiscal distress.

(ii) The board of directors shall place on the agenda for the next regularly scheduled meeting of the board of directors a discussion of the notice of nonmaterial indicators of fiscal distress.

SECTION 605. Arkansas Code § 6-20-1905 is amended to read as follows:

6-20-1905. Notification and appeal.

(a)(1)(A)(i) The ~~Department of Education~~ Division of Elementary and Secondary Education shall provide written notice, via certified mail, return receipt requested, to the president of the school district board of directors and the superintendent of each school district identified as being in fiscal distress.

(ii) The ~~department~~ division shall provide the notice required under this subdivision (a)(1)(A) on or before March 30 of each year.

(B)(i) At any time after March 30, the ~~department~~ Division may identify a school district as being in fiscal distress if the ~~department~~ division discovers that a fiscal condition of a school district negatively impacts the continuation of educational services by the school district.

(ii) The ~~department~~ division immediately shall provide the same notice required under subdivision (a)(1)(A)(i) to the school district identified under this subdivision (a)(1)(B).

(b) Any school district identified in fiscal distress status may appeal to the State Board of Education by filing a written appeal with the office of the Commissioner of Elementary and Secondary Education by certified mail, return receipt requested, within thirty (30) days of receipt of notice of identified fiscal distress status from the ~~department~~ division.

(c) The state board shall hear the appeal within sixty (60) days of receipt of the written notice of appeal from the school district.

(d) The written appeal shall state in clear terms the reason why the school district should not be classified as in fiscal distress.

(e) Notwithstanding any appeal rights in this subchapter, no appeal

shall stay the ~~department's~~ division's authority to take action to protect the fiscal integrity of any school district identified as in fiscal distress.

(f) The decision of the state board shall be a final order, and there is no further right of appeal except that the school district may appeal to Pulaski County Circuit Court pursuant to the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

SECTION 606. Arkansas Code § 6-20-1906(a), concerning the classification of fiscal distress status, is amended to read as follows:

(a) Those school districts identified by the ~~Department of Education~~ Division of Elementary and Secondary Education as being in fiscal distress shall be classified as school districts in fiscal distress upon final determination by the State Board of Education.

SECTION 607. Arkansas Code § 6-20-1907 is amended to read as follows:

6-20-1907. Debt issuance.

No school district identified in fiscal distress may incur any debt without the prior written approval of the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 608. Arkansas Code § 6-20-1908 is amended to read as follows:

6-20-1908. Fiscal distress plan.

(a) Those school districts identified by the ~~Department of Education~~ Division of Elementary and Secondary Education as being in fiscal distress shall file with the ~~department~~ division within ten (10) days after the final classification by the State Board of Education a written fiscal distress improvement plan to address any area in which the school district is experiencing fiscal distress as identified by the ~~department~~ division.

(b) Each school district shall seek and obtain approval of its plan from the ~~department~~ division and shall describe how the school district will remedy those areas in which the school district is experiencing fiscal distress and shall establish the time period by which the school district will remedy all criteria which placed the school district in fiscal distress status.

(c) A school district in fiscal distress may only petition the state board for removal from fiscal distress status after the d~~epartment~~ division

has certified in writing that the school district has corrected all criteria for being classified as in fiscal distress and has complied with all ~~department~~ division recommendations and requirements for removal from fiscal distress.

(d) Except under § 6-20-1910(e), a school district shall not be allowed to remain in fiscal distress status for more than five (5) consecutive school years from the date that the school district was classified as being in fiscal distress status.

(e) Any school district classified as being in fiscal distress status shall be required to receive on-site technical evaluation and assistance from the ~~department~~ division.

(f)(1) The ~~department~~ division shall evaluate and make written recommendations to the district superintendent regarding staffing of the school district and fiscal practices of the school district.

(2) The written recommendations of the ~~department~~ division shall be binding on the school district, the superintendent, and the school district board of directors.

(g) Every six (6) months, the ~~department~~ division shall submit a written evaluation on the status of each school district in fiscal distress to the state board.

(h)(1) The ~~Department~~ division may petition the state board at any time for the consolidation, annexation, or reconstitution of a school district in fiscal distress or take other appropriate action as allowed by this subchapter in order to secure and protect the best interest of the educational resources of the state or to provide for the best interests of students in the school district.

(2) The state board may approve the petition or take other appropriate action as allowed by this subchapter.

(i) Except under § 6-20-1910(e), the state board shall consolidate, annex, or reconstitute any school district that fails to remove itself from the classification of a school district in fiscal distress within five (5) consecutive school years of classification of fiscal distress status unless the state board, at its discretion, issues a written finding supported by a majority of the state board, explaining in detail that the school district could not remove itself from fiscal distress due to impossibility caused by external forces beyond the school district's control.

SECTION 609. The introductory language of Arkansas Code § 6-20-1909(a), concerning the Department of Education fiscal distress actions, is amended to read as follows:

(a) In addressing school districts in fiscal distress, the Commissioner of Elementary and Secondary Education may:

SECTION 610. Arkansas Code § 6-20-1909(a)(1)(B), concerning the Department of Education fiscal distress actions, is amended to read as follows:

(B) Compensate ~~nondepartment~~ nondivision agents operating the school district from school district funding;

SECTION 611. Arkansas Code § 6-20-1909(a)(7)(A)(i), concerning the Department of Education fiscal distress actions, is amended to read as follows:

(i) The ~~Department of Education~~ Division of Elementary and Secondary Education certifies in writing to the state board and to the school district that the school district has corrected all issues that caused the classification of fiscal distress; and

SECTION 612. Arkansas Code § 6-20-1909(b)-(d), concerning the Department of Education fiscal distress actions, are amended to read as follows:

(b) The ~~department~~ division may impose various reporting requirements on the school district.

(c) The ~~department~~ division shall monitor the fiscal operations and accounts of the school district.

(d) The ~~department~~ division shall require school district staff and employees to obtain fiscal instruction or training in areas of fiscal concern for the school district.

SECTION 613. The introductory language of Arkansas Code § 6-20-1910(d), concerning state board actions to consolidate, annex, or reconstitute a school district, is amended to read as follows:

(d) If the Commissioner of Elementary and Secondary Education assumes

authority over a public school district in fiscal distress under § 6-20-1909, the state board may pursue the following process for returning a public school district to the local control of its residents:

SECTION 614. The introductory language of Arkansas Code § 6-20-1910(d)(2)(C), concerning state board actions to consolidate, annex, or reconstitute a school district, is amended to read as follows:

(C) The ~~Department of Education~~ Division of Elementary and Secondary Education shall cause to be provided to the community advisory board technical assistance and training in, at a minimum, the areas required in § 6-13-629.

SECTION 615. The introductory language of Arkansas Code § 6-20-1910(d)(3)(A)(ii)(a), concerning state board actions to consolidate, annex, or reconstitute a school district, is amended to read as follows:

(a) The d~~epartment~~ division certifies in writing to the state board and to the school district that the school district has corrected all criteria for being placed into fiscal distress; and

SECTION 616. The introductory language of Arkansas Code § 6-20-1910(f), concerning state board actions to consolidate, annex, or reconstitute a school district, is amended to read as follows:

(f) Nothing in this section shall be construed to prevent the ~~department~~ division or the state board from taking any of the actions listed in § 6-20-1909 or this section at any time to address a school district in fiscal distress.

SECTION 617. Arkansas Code § 6-20-1911 is amended to read as follows:

6-20-1911. Rules and regulations.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall promulgate rules and regulations as necessary to identify, evaluate, assist, and address school districts in fiscal distress.

(b) The ~~department~~ division may promulgate rules and regulations as necessary to administer this subchapter.

SECTION 618. Arkansas Code § 6-20-2002(2), concerning the definition of "classroom teacher" under the laws regarding tracking and accounting of interschool athletic program funds, is amended to read as follows:

(2) “Classroom teacher” means an individual who is required to hold a teaching license from the ~~Department of Education~~ Division of Elementary and Secondary Education and who is engaged directly in instruction with students in a classroom setting for more than seventy percent (70%) of the individual’s contracted time;

SECTION 619. Arkansas Code § 6-20-2002(4), concerning the definition of "state funds" under the laws regarding tracking and accounting of interschool athletic program funds, is amended to read as follows:

(4) “State funds” means all money derived from state revenues, specifically including, but not limited to, distributions from the ~~Department of Education~~ Division of Elementary and Secondary Education Public School Fund Account and ad valorem property taxes distributed to a public school or school district.

SECTION 620. Arkansas Code § 6-20-2003(a), concerning reporting by local school districts, is amended to read as follows:

(a) During the appropriate Arkansas Public School Computer Network reporting cycle each year, a school district shall submit appropriate data to the ~~Department of Education~~ Division of Elementary and Secondary Education documenting the school district’s total athletic expenditures paid from state funds.

SECTION 621. Arkansas Code § 6-20-2102(1), concerning the definition of "classroom teacher" under the laws governing the tracking and accounting of interschool scholastic activity funds, is amended to read as follows:

(1) “Classroom teacher” means an individual who is required to hold a teaching license from the ~~Department of Education~~ Division of Elementary and Secondary Education and who is engaged directly in instruction with students in a classroom setting for more than seventy percent (70%) of the individual’s contracted time;

SECTION 622. Arkansas Code § 6-20-2102(4), concerning the definition

of "state funds" under the laws governing the tracking and accounting of interschool scholastic activity funds, is amended to read as follows:

(4) “State funds” means all money derived from state revenues, specifically including, but not limited to, distributions from the ~~Department of Education~~ Division of Elementary and Secondary Education Public School Fund Account and ad valorem property taxes distributed to a public school or school district.

SECTION 623. Arkansas Code § 6-20-2103(a), concerning reporting by school districts, is amended to read as follows:

(a) During the appropriate Arkansas Public School Computer Network reporting cycle each year, a school district shall submit data to the ~~Department of Education~~ Division of Elementary and Secondary Education documenting the school district’s total interschool scholastic activity expenditures paid from state funds.

SECTION 624. Arkansas Code § 6-20-2202 is amended to read as follows:

6-20-2202. Budget and expenditure report.

(a)(1) The board of directors of each school district, open-enrollment public charter school, and education service cooperative annually shall prepare a budget of expenditures and receipts that shall be filed with the ~~Department of Education~~ Division of Elementary and Secondary Education by September 30 of each year under this subchapter.

(2)(A) Each budget shall be approved by the board of directors of each school district, open-enrollment public charter school, and education service cooperative at a legally held meeting and shall be signed by the president of the board of directors and the ex officio financial secretary of each school district, open-enrollment public charter school, and education service cooperative.

(B) The budget shall contain the information and be prepared in an electronic format prescribed by the ~~Department of Education~~ Division of Elementary and Secondary Education governing financial accounting for Arkansas school districts, open-enrollment public charter schools, and education service cooperatives.

(3)(A) The electronic format required by the ~~Department of Education~~ Division of Elementary and Secondary Education shall be available

for completion by school districts, open-enrollment public charter schools, and education service cooperatives not later than September 15 of each year.

(B) The ~~Department of Education~~ Division of Elementary and Secondary Education shall declare when the electronic format is accessible to school districts, open-enrollment public charter schools, and education service cooperatives via a Commissioner of Elementary and Secondary Education's memo.

(b)(1)(A) Warrants or checks of a school district, open-enrollment public charter school, or education service cooperative issued after the date required by subsection (a) of this section shall be invalid unless a budget has been filed as required by this subchapter and in compliance with appropriate rules.

(B) The ex officio financial secretary of a school district, open-enrollment public charter school, or education service cooperative and his or her surety shall be liable for any warrants or checks countersigned after the date required by subsection (a) of this section if a budget has not been filed.

(2) After the ~~Department of Education~~ Division of Elementary and Secondary Education has met all deadlines for providing information to school districts, open-enrollment public charter schools, or education service cooperatives, distribution of all grants and aids from the state for which the school district, open-enrollment public charter school, or education service cooperative may be eligible shall be suspended until the requirements of this subchapter are met by the school districts, open-enrollment public charter schools, or education service cooperatives.

(c)(1)(A) School district, open-enrollment public charter school, and education service cooperative budgets filed pursuant to this section shall be reviewed by the auditors of the financial accountability office of the ~~Department of Education~~ Division of Elementary and Secondary Education to determine whether the requirements of state law and the rules of the State Board of Education regarding the use of school, open-enrollment public charter school, and education service cooperative funds and expenditure requirements are being met.

(B)(i) The review and the determination shall be completed not later than February 15 of each year.

(ii) If the auditors of the financial accountability

office determine that the financial records are deficient, then the school district, open-enrollment public charter school, or education service cooperative shall be notified and shall have thirty (30) days to respond prior to suspension of the grants and aids.

(2) Upon approval by the auditors, copies of the approved budget shall be filed with the school district, the open-enrollment public charter school, the education service cooperative, the county treasurer if serving as school treasurer, and the ~~Department of Education~~ Division of Elementary and Secondary Education.

(d)(1)(A) The ex officio financial secretary of each school district, open-enrollment public charter school, and education service cooperative shall keep a record of the following information in a format required by the ~~Department of Education~~ Division of Elementary and Secondary Education:

(i) The daily expenditures and receipts of the school district, open-enrollment public charter school, or education service cooperative; and

(ii)(a) Information on fund balances maintained by the school district, open-enrollment public charter school, or education service cooperative, including, but not limited to, the:

(1) Sources of the funds maintained as fund balances, to the extent practicable;

(2) Reasons for maintaining, instead of spending, the fund balances;

(3)(A) Amount of funds transferred between various funds during the past year.

(B) The school district, open-enrollment public charter school, and education service cooperative shall identify the funds transferred between and the amount of funds transferred; and

(4) Amount of fund balances dedicated for the construction, maintenance, or repair of academic or athletic facilities.

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education shall promulgate rules that require reporting of fund balances sufficient to verify whether funds allocated for educational purposes, including, but not limited to, student academic needs

and the maintenance and operation of public school district facilities, are used for their intended purposes or retained by the school district in its fund balances.

(B)(i) An annual report summarizing the information required in subdivision (d)(1)(A) of this section in a format required by the ~~Department of Education~~ Division of Elementary and Secondary Education shall be filed by August 31 of each year with the ~~Department of Education~~ Division of Elementary and Secondary Education.

(ii) A final close must be performed in each school district's or open-enrollment public charter school's or education service cooperative's applicable general ledger database no later than September 10 of each year.

(iii) The Arkansas Public School Computer Network shall ensure that proper controls are in place to prohibit changes to the aforementioned data after the final close has been performed.

(2) If the auditors of the financial accountability office of the ~~Department of Education~~ Division of Elementary and Secondary Education determine that the financial records of any school district, open-enrollment public charter school, or education service cooperative are not properly maintained or that the financial affairs of the school district, open-enrollment public charter school, or education service cooperative are not administered in accordance with state law or state board rules, grants and aids from the state to which the school district, open-enrollment public charter school, or education service cooperative may be entitled shall be withheld until it is determined that the fiscal records of the school district, open-enrollment public charter school, or education service cooperative are in order or that the financial affairs are being properly administered as established by statute or by rule promulgated by the state board, provided that the ~~Department of Education~~ Division of Elementary and Secondary Education has met all deadlines for providing information to school districts, open-enrollment public charter schools, or education service cooperatives.

(e)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education may withhold state aid from any school district, open-enrollment public charter school, or education service cooperative that fails to file its budget or any other required report with the ~~Department of~~

~~Education~~ Division of Elementary and Secondary Education by the deadline established by statute or by rule promulgated by the state board or by the due dates established by the ~~Department of Education~~ Division of Elementary and Secondary Education pursuant to subdivision (e)(2) of this section, provided that the ~~Department of Education~~ Division of Elementary and Secondary Education has met all deadlines for providing pertinent information to school districts, open-enrollment public charter schools, or education service cooperatives.

(2) The ~~Department of Education~~ Division of Elementary and Secondary Education shall submit a list of all required financial accountability reports along with due dates to each school district, open-enrollment public charter school, and education service cooperative by July 1 of each year.

(f) The state board shall promulgate the necessary rules to fully implement this section.

(g)(1) The Treasurer of State shall withhold the monthly distribution of county aid provided under § 19-5-602(c) from any county whose county official who is the preparer of the tax books fails to provide by March 15 of each calendar year information concerning the annual abstract of assessment that reflects the aggregate value of the real and personal property for each school district located wholly or in part in the county as follows:

(A) If the county is capable of providing the information electronically, then the information shall be provided to both the ~~Department of Education~~ Division of Elementary and Secondary Education and the Assessment Coordination ~~Department~~ Division; and

(B) If the county is not capable of providing the information electronically, then the information shall be provided only to the Assessment Coordination ~~Department~~ Division.

(2) The information transmitted to the ~~Department of Education~~ Division of Elementary and Secondary Education and the Assessment Coordination ~~Department~~ Division shall also include:

(A) The previous calendar year's property assessment that will be used for ad valorem tax collections in the current year; and

(B) The millage rates, which shall be listed by the type of millage, levied against that property assessment.

SECTION 625. Arkansas Code § 6-20-2203(a)(3)(A), concerning the requirement of a uniform budget and accounting system, is amended to read as follows:

(3)(A) Pursuant to § 6-20-2207, the ~~Department of Education~~ Division of Elementary and Secondary Education shall establish and implement a uniform chart of accounts known as the "Arkansas Financial Accounting Handbook" or the "Arkansas Handbook".

SECTION 626. Arkansas Code § 6-20-2203(a)(4), concerning the requirement of a uniform budget and accounting system, is amended to read as follows:

(4) The rules shall be developed by the state board in cooperation with the ~~department~~ division, representatives from the Arkansas Association of Educational Administrators, the Arkansas Association of School Business Officials, the Arkansas Education Association, the education service cooperatives, and the Legislative Joint Auditing Committee.

SECTION 627. Arkansas Code § 6-20-2203(b), concerning the requirement of a uniform budget and accounting system, is amended to read as follows:

(b) To the extent necessary to comply with federal law, the terms and definitions contained in the Arkansas Handbook shall initially comply with Financial Accounting for Local and State School Systems, 2003 Edition (NCES 2004-318), and may thereafter be revised by the ~~department~~ division as necessary to remain consistent and shall be used for valid comparisons of expenditures of schools, school districts, open-enrollment public charter schools, and education service cooperatives.

SECTION 628. Arkansas Code § 6-20-2203(c)(3)(B), concerning the requirement of a uniform budget and accounting system, is amended to read as follows:

(B) The ~~department~~ division shall implement the expenditure categories in this subdivision (c)(3) beginning with the 2007-2008 school year;

SECTION 629. Arkansas Code § 6-20-2203(c)(4)(B), concerning the requirement of a uniform budget and accounting system, is amended to read as

follows:

(B) The ~~department~~ division shall complete a trial implementation of the revenue categories in subdivisions (c)(4)(A)(i) and (ii) of this section by the end of the 2007-2008 school year and fully implement all revenue categories in this subdivision (c)(4) beginning with the 2008-2009 school year;

SECTION 630. Arkansas Code § 6-20-2203(c)(5)(B), concerning the requirement of a uniform budget and accounting system, is amended to read as follows:

(B) The ~~department~~ division shall implement this subdivision (c)(5) beginning with the 2007-2008 school year;

SECTION 631. Arkansas Code § 6-20-2203(c)(6)(B), concerning the requirement of a uniform budget and accounting system, is amended to read as follows:

(B) The ~~department~~ division shall implement this subdivision (c)(6) beginning with the 2007-2008 school year;

SECTION 632. Arkansas Code § 6-20-2203(c)(8)(B), concerning the requirement of a uniform budget and accounting system, is amended to read as follows:

(B) The ~~department~~ division shall implement this subdivision (c)(8) beginning with the 2007-2008 school year.

SECTION 633. Arkansas Code § 6-20-2203(e) and (f), concerning the requirement of a uniform budget and accounting system, are amended to read as follows:

(e) The ~~department~~ division shall have the authority to analyze and inspect the financial records of any school, open-enrollment public charter school, school district, or education service cooperative in order to verify that a school, school district, or education service cooperative is correctly and accurately reporting expenditures.

(f) By February 15 of each year, the ~~department~~ division shall submit a report to the state board, the Governor, the Senate Committee on Education, and the House Committee on Education concerning public school and public

school district expenditures required by law.

SECTION 634. Arkansas Code § 6-20-2204 is amended to read as follows:

6-20-2204. Required training.

(a)(1)(A) The ~~Department of Education~~ Division of Elementary and Secondary Education shall establish two (2) tiers of required training.

(B) Both tiers of required training shall apply to public school districts, open-enrollment public charter schools, and education service cooperatives.

(C)(i) At a minimum, two (2) persons per educational entity are required to attend an initial and annual Tier I training:

(a) The school district superintendent or the education service cooperative director or the open-enrollment public charter school director; and

(b) A person whose job responsibilities include preparing the budget or overall accounting responsibility.

(ii) The two (2) persons per educational entity required to attend the initial and annual Tier I training shall each obtain twelve (12) hours of initial training and instruction necessary to demonstrate basic proficiency as determined by the ~~department~~ division, including, but not limited to:

(a) School laws of Arkansas;

(b) Laws and rules governing the expenditure of public education funds, fiscal accountability, and school finance;

(c) Ethics; and

(d) Financial accounting and reporting of schools, school districts, open-enrollment public charter schools, and education service cooperative expenditures.

(2)(A) Each year thereafter, the school district superintendent, the education service cooperative executive director, or open-enrollment public charter school director and the person whose job responsibilities include preparing the budget or overall accounting responsibility who have already attended the initial and Tier I training shall obtain by December 31 of each calendar year a minimum of two (2) hours of annual training and instruction as required by the ~~department~~ division in order to maintain basic proficiency in the topics described in subdivision (a)(1) of this section.

(B) Additional annual training may be required by the ~~department~~ division for the school district superintendent, the education service cooperative executive director, or open-enrollment public charter school director and the person whose job responsibilities include preparing the budget or overall accounting responsibility based on repetitive or flagrant audit findings or the identification of multiple indicators of fiscal distress.

(3)(A) The instruction may be provided by an institution of higher education in this state, from instruction sponsored by the ~~department~~ division, by an in-service training program conducted by the Arkansas Association of School Business Officials, or from another provider.

(B) To satisfy the training and requirements under this subsection, any provider other than the ~~department~~ division shall apply for and receive preapproval by the d~~epartment~~ division as to the form and content of the training and instruction before they are offered as training and instruction to comply with the provisions of this subsection ~~(a)~~.

(4)(A) If a person fails to obtain the required Tier I training by the end of the calendar year and fails to cure the deficiency by March 1 of the following calendar year without filing a request for extension of time as determined from the records of the ~~department~~ division, the ~~department~~ division shall immediately notify the superintendent of the employing school district, the director of the open-enrollment public charter school, or the executive director of the education service cooperative by certified mail, return receipt requested, with a copy to the state board president.

(B)(i) The superintendent of the school district, the director of the open-enrollment public charter school, or the education service cooperative executive director shall notify the person by certified mail, return receipt requested, and the person shall be unable to continue in his or her position from the date of receipt of notification by the superintendent of the school district, the director of the open-enrollment public charter school, or the education service cooperative executive director.

(ii) Any person receiving notice that he or she shall be unable to continue in his or her position solely because of his or her failure to obtain the required training may request a hearing before the State Board of Education prior to his or her permanent dismissal.

(5) If the person fails to obtain all required training by December 31, this failure shall constitute one (1) citation against the school district or the open-enrollment public charter school as measured by the Standards for Accreditation of Arkansas Public Schools and School Districts issued by the ~~department~~ division or an admonishment to the education service cooperative by the ~~department~~ division.

(6)(A) If the person is unable to obtain the required training because of military service or illness as verified by a written sworn statement of the person's attending physician, the ~~department~~ division shall grant an extension permitting the person additional time to obtain the required training.

(B) The issuance of an extension shall not constitute a citation against the school district as measured by the Standards for Accreditation of Arkansas Public Schools and School Districts issued by the ~~department~~ division or the education service cooperative and shall not operate to remove the person from his or her job.

(b)(1) Tier II training shall include, but not be limited to, employees who do not make decisions about selecting codes or who have a limited number of codes that they can use.

(2) Tier II training shall be developed by the ~~department~~ division in cooperation with representatives from the Arkansas Association of Educational Administrators, the Arkansas Association of School Business Officials, the Arkansas Education Association, the Legislative Joint Auditing Committee, and the education service cooperatives.

(3)(A) The training shall be annual and shall be a minimum of two (2) hours.

(B) Additional annual training may be required by the ~~department~~ division for employees who do not make decisions about selecting codes or who have a limited number of codes that they can use based on repetitive or flagrant audit findings or the identification of multiple indicators of fiscal distress.

(4) School districts shall be responsible for providing the training to these employees.

(5) School district trainers are required to attend Tier I training and annual updates as required by the ~~department~~ division under this subsection ~~(b)~~ and subsection (a) of this section.

(c)(1) Each school district, open-enrollment public charter school, or education service cooperative shall maintain files and records indicating all employees who are required to obtain and who have completed Tier II training.

(2) Each school district superintendent, open-enrollment public charter school director, or education service cooperative executive director shall provide the ~~department~~ division an assurance statement regarding the completion of Tier II training by the required individuals.

(d) The state board shall modify the Standards for Accreditation of Arkansas Public Schools and School Districts issued by the ~~department~~ division as may be required by this section.

(e) It is the responsibility of the ~~department~~ division to receive and maintain records of instructional hours of Tier I training obtained under this section.

(f) The state board is authorized to promulgate rules and regulations consistent with the provisions of this section.

SECTION 635. Arkansas Code § 6-20-2206(a), concerning miscellaneous provisions regarding the Department of Education, is amended to read as follows:

(a) If the ~~Department of Education~~ Division of Elementary and Secondary Education determines that an overpayment has been made to a school district, open-enrollment public charter school, or education service cooperative in any funding category authorized by law, the ~~department~~ division is authorized to withhold the overpayment from future funding of the school district, open-enrollment public charter school, or education service cooperative and is authorized to transfer the amount withheld for the overpayment to the line item appropriation from which the overpayment was initially made.

SECTION 636. Arkansas Code § 6-20-2206(c)(5)(B), concerning miscellaneous provisions regarding the Department of Education, is amended to read as follows:

(B) Pupil attendance records shall be kept according to law and regulations on paper or electronic forms either furnished or approved by the ~~department~~ division.

SECTION 637. Arkansas Code § 6-20-2207(b)(1) and (2), concerning the rule-making authority of the State Board of Education, are amended to read as follows:

(b)(1)(A) The state board shall amend the rules, and the ~~Department of Education~~ Division of Elementary and Secondary Education shall amend the Arkansas Handbook provided in subsection (a) of this section as necessary.

(B) The amendments, annual revisions, and financial accounting updates to the Arkansas Handbook shall be developed with representatives from the Arkansas Association of School Business Officials, the education service cooperatives, and other school district officials as designated by the ~~department~~ division.

(2) Before making an amendment to the Arkansas Handbook, the ~~department~~ division shall provide written notice via a Commissioner of Elementary and Secondary Education memo to the school districts, open-enrollment public charter schools, and education service cooperatives.

SECTION 638. Arkansas Code § 6-20-2208(c)(2)(A), concerning the monitoring of expenditures by school districts, is amended to read as follows:

(2)(A) Expend the sums allocated to the school district under § 6-20-2305(b) for salaries and other instructional aid components to benefit students in the special needs categories within the school district unless other expenditures are allowed by law or rule of the State Board of Education or the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 639. Arkansas Code § 6-20-2208(d)(1), concerning the monitoring of expenditures by school districts, is amended to read as follows:

(d)(1) During the appropriate Arkansas public school computer network reporting cycle each year, each school district shall submit appropriate data to the ~~department~~ division establishing the school district's compliance with this section.

SECTION 640. Arkansas Code § 6-20-2208(d)(4), concerning the monitoring of expenditures by school districts, is amended to read as

follows:

(4) Reports for each school district shall be developed by the ~~department~~ division and transmitted to the Governor, the Senate Committee on Education, and the House Committee on Education.

SECTION 641. Arkansas Code § 6-20-2210(a)(4), concerning the limitation on fund balances, is amended to read as follows:

(4)(A) "Revenues" means the same as defined in the latest version of the Arkansas Financial Accounting Handbook established by the ~~Department of Education~~ Division of Elementary and Secondary Education under § 6-20-2203.

SECTION 642. Arkansas Code § 6-20-2210(a)(4)(B)(viii)(a) and (b), concerning the limitation on fund balances, are amended to read as follows:

(a) The latest version of the Arkansas Financial Accounting Handbook established by the ~~department~~ division under § 6-20-2203; or

(b) Rules promulgated by the ~~department~~ division; and

SECTION 643. Arkansas Code § 6-20-2210(d)-(f), concerning the limitation on fund balances, are amended to read as follows:

(d)(1) The ~~department~~ division shall:

(A) Monitor on a yearly basis each public school district's compliance with the requirements of this section; and

(B) Withhold subsequent state funding from a public school district in the amounts under subdivision (d)(2) of this section for each year the public school district fails to make the required reduction.

(2) If a public school district fails to reduce every year within the five-year period its net legal balance by twenty percent (20%) of the total required reduction under subsection (b) of this section, the ~~department~~ division shall withhold subsequent state funding from that public school district in an amount equal to the amount the public school district failed to reduce its net legal balance for that year.

(e)(1) Under an unusual and limited circumstance, including without limitation an increase in one-time funds, a public school district may

request that the ~~department~~ division waive the requirements of this section.

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

(3) The commissioner may grant a waiver request under this subsection if the commissioner finds that the request is necessary based upon the unusual and limited circumstances.

(f) The ~~department~~ division shall promulgate rules to implement this section.

SECTION 644. Arkansas Code § 6-20-2303(4), concerning the definition of "classroom teacher" under the Public School Funding Act of 2003, is amended to read as follows:

(4) "Classroom teacher" means:

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

(B) A guidance counselor; or

(C) A librarian;

SECTION 645. Arkansas Code § 6-20-2303(13)(A), concerning the definition of "national school lunch students" under the Public School Funding Act of 2003, is amended to read as follows:

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

SECTION 646. Arkansas Code § 6-20-2303(17), concerning the definition of "quarterly average daily membership" under the Public School Funding Act of 2003, is amended to read as follows:

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

SECTION 647. Arkansas Code § 6-20-2304(b)(1), concerning regulations and access to information on legislation by the State Board of Education, is amended to read as follows:

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

SECTION 648. Arkansas Code § 6-20-2305(a)(1)(B), concerning school funding, is amended to read as follows:

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

SECTION 649. Arkansas Code § 6-20-2305(a)(4), concerning school funding, is amended to read as follows:

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

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

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

(ii) The ~~Department of Education~~ Division of Elementary and Secondary Education may distribute to the school district a

lesser amount than required under subdivisions (a)(4)(A)(i)(a) and (b) of this section if after the lesser amount is distributed the school district will receive the foundation funding amount under § 6-20-2305(a).

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

(i) The net revenues of the school district; and

(ii) The sum of ninety-eight percent (98%) of the uniform rate of tax multiplied by the property assessment of the school district.

(C) The ~~Department of Education~~ Division of Elementary and Secondary Education shall not distribute to a school district the funds under subdivision (a)(4)(A)(i) of this section if, regardless of the school district's tax collection rate, the school district's net revenues plus miscellaneous funds calculated under § 6-20-2308 meet or exceed the foundation funding amount set forth in § 6-20-2305(a).

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

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

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education may adjust the uniform rate of tax from an irregular distribution to an amount not in excess of ninety-eight percent (98%) and apply the excess distribution amount the following school year.

(iii) Evidence of overlapping revenue reporting or irregular distributions shall be provided in the form required by the

~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 650. Arkansas Code § 6-20-2305(b)(4)(B)(ii)(a), concerning school funding, is amended to read as follows:

(ii)(a) If a school district will receive in the current school year national school lunch state categorical funding under subdivision (b)(4)(A) of this section that is based on a different per-student amount of national school lunch state categorical funding than the school district received in the immediately preceding school year, due to a percentage change in national school lunch students, the ~~department~~ Division of Elementary and Secondary Education shall adjust the funding to the school district in a transitional three-year period.

SECTION 651. Arkansas Code § 6-20-2305(b)(4)(B)(iii)(a), concerning school funding, is amended to read as follows:

(iii)(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall establish rules to implement the transitional national school lunch state categorical funding provided in subdivision (b)(4)(B)(ii) of this section.

SECTION 652. Arkansas Code § 6-20-2305(b)(4)(B)(v)(b) and (c), concerning school funding, are amended to read as follows:

(b) The State Board of Education shall establish rules to be used by the ~~Department of Education~~ Division of Elementary and Secondary Education to determine:

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

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

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

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

number of national school lunch students enrolled in the school district or the average growth of students in the school district.

SECTION 653. Arkansas Code § 6-20-2305(b)(4)(C)(i)(b)(16), concerning school funding, is amended to read as follows:

(16) The College and Career Coaches Program, as administered by the ~~Department~~ Division of Career and Technical Education under § 6-1-601 et seq.; and

SECTION 654. Arkansas Code § 6-20-2305(b)(4)(C)(iv)(a), concerning school funding, is amended to read as follows:

(iv)(a) Upon review of the school district's school-level improvement plan, if the Commissioner of Elementary and Secondary Education determines that the school district has met the needs of students in the school district for whom the funding for additional educational categories under this subsection is provided, has met the requirements of subdivisions (b)(4)(C)(ii) and (iii) of this section, and has prudently managed its resources, the commissioner shall give written approval of the detailed planned flexible use of excess national school lunch student categorical funds provided to the school district.

SECTION 655. Arkansas Code § 6-20-2305(b)(4)(C)(vi)-(viii), concerning school funding, are amended to read as follows:

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

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

(viii)(a) By September 15 of each school year, a school district shall submit to the ~~Department of Education~~ Division of Elementary and Secondary Education a report for the immediately preceding

school year listing each program upon which funds allocated under this subdivision (b)(4) were expended, the amount expended, and any other information required by the ~~Department of Education~~ Division of Elementary and Secondary Education on the use of funds allocated under this subdivision (b)(4).

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education shall develop appropriate reporting forms for use by school districts to comply with subdivision (b)(4)(C)(viii)(a) of this section.

SECTION 656. Arkansas Code § 6-20-2305(b)(4)(C)(x)-(xii), concerning school funding, are amended to read as follows:

(x) Each school district shall submit to the ~~Department of Education~~ Division of Elementary and Secondary Education a report listing each program and purpose upon which funds allocated under this subdivision (b)(4) were expended, the amount expended, and any other information required by the ~~Department of Education~~ Division of Elementary and Secondary Education concerning the receipt and use of funds allocated under this subdivision (b)(4).

(xi) No provision of subdivision (b)(4)(C)(ix) of this section shall be deemed to prohibit a school district from participating in the provisions of subdivisions (b)(4)(C)(ii)-(viii) of this section.

(xii) The ~~Department of Education~~ Division of Elementary and Secondary Education shall promulgate rules and develop appropriate reporting forms for use by school districts to comply with this subdivision (b)(4)(C).

SECTION 657. Arkansas Code § 6-20-2305(b)(4)(D), concerning school funding, is amended to read as follows:

(D)(i) By the end of each school year, each school district shall submit to the ~~Department of Education~~ Division of Elementary and Secondary Education a report listing each program upon which funds allocated under this subdivision (b)(4) were expended, the amount expended, and any other information required by the ~~Department of Education~~ Division of Elementary and Secondary Education.

(ii) The ~~Department of Education~~ Division of

Elementary and Secondary Education shall develop appropriate reporting forms for use by school districts.

SECTION 658. Arkansas Code § 6-20-2305(b)(4)(E)(i), concerning school funding, is amended to read as follows:

(E)(i) The ~~Department of Education~~ Division of Elementary and Secondary Education shall provide a report on the impact of national school lunch student categorical funding provided under this subdivision (b)(4) on closing the achievement gap to the House Committee on Education and the Senate Committee on Education by May 31 each even-numbered year, beginning in 2010.

SECTION 659. Arkansas Code § 6-20-2305(b)(4)(F)(iv)(a), concerning school funding, is amended to read as follows:

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

SECTION 660. Arkansas Code § 6-20-2305(b)(4)(F)(v), concerning school funding, is amended to read as follows:

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

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

(c) The ~~Department of Education~~ Division of Elementary and Secondary Education may redistribute amounts withheld under this subdivision (b)(4)(F) to other school districts entitled to receive

national school lunch state categorical funding allocations.

SECTION 661. Arkansas Code § 6-20-2305(b)(5)(C), concerning school funding, is amended to read as follows:

(C)(i) Additional funding provided for professional development above the amount in subdivision (b)(5)(A) of this section shall be used by the ~~Department of Education~~ Division of Elementary and Secondary Education for the development and administration of professional learning communities for the benefit of public school districts.

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

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

SECTION 662. Arkansas Code § 6-20-2305(e)(1)(C), concerning school funding, is amended to read as follows:

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

SECTION 663. Arkansas Code § 6-20-2305(e)(4), concerning school funding, is amended to read as follows:

(4)(A) The ~~Department of Education~~ Division of Elementary and Secondary Education shall monitor on a yearly basis each school district's compliance with the requirements of this subsection.

(B) If a school district fails to comply with the requirements of this subsection during a school year, the ~~Department of~~

~~Education~~ Division of Elementary and Secondary Education may in the following school year withhold from that school district's categorical funding allocation an amount equal to the amount required to be spent by the school district in order to be in compliance with the requirements of this subsection.

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

SECTION 664. Arkansas Code § 6-20-2305(f)(2), concerning school funding, is amended to read as follows:

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

SECTION 665. Arkansas Code § 6-20-2305(f)(5)(B), concerning school funding, is amended to read as follows:

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

SECTION 666. Arkansas Code § 6-20-2305(g), concerning school funding, is amended to read as follows:

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

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

SECTION 667. Arkansas Code § 6-20-2306 is amended to read as follows:

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

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

(1) Withhold the overpayment from subsequent state funding;

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

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

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

SECTION 668. The introductory language of Arkansas Code § 6-20-2308(a), concerning the calculation of miscellaneous funds, is amended to read as follows:

(a) For the purpose of making an initial calculation of state foundation funding aid, the ~~Department of Education~~ Division of Elementary and Secondary Education shall calculate the miscellaneous funds of a school district as:

SECTION 669. The introductory language of Arkansas Code § 6-20-2308(b)(1), concerning the calculation of miscellaneous funds, is amended to read as follows:

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

SECTION 670. The introductory language of Arkansas Code § 6-20-2308(c)(1), concerning the calculation of miscellaneous funds, is amended to

read as follows:

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

SECTION 671. Arkansas Code § 6-20-2308(c)(2), concerning the calculation of miscellaneous funds, is amended to read as follows:

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

SECTION 672. The introductory language of Arkansas Code § 6-20-2309 is amended to read as follows:

For the 2017-2018 school year and the 2018-2019 school year, in addition to the foundation funding provided to a school district under § 6-20-2305(a)(2), the ~~Department of Education~~ Division of Elementary and Secondary Education shall distribute enhanced transportation funding to school districts each school year in the following amounts:

SECTION 673. Arkansas Code § 6-20-2503(b)(2)(B), concerning bonded debt assistance, is amended to read as follows:

(B) The annual amount due on a fiscal year basis from the school district in accordance with the principal and interest payment schedule in effect and on file with the ~~Department of Education~~ Division of Elementary and Secondary Education on January 1, 2005, for the outstanding bonded indebtedness identified under subdivision (b)(2)(A) of this section; and

SECTION 674. Arkansas Code § 6-20-2503(b)(3)(A)(i)(a), concerning bonded debt assistance, is amended to read as follows:

(i)(a) For the year that financial assistance under this section will be provided, ascertain the scheduled debt payment on a fiscal year basis from the principal and interest payment schedule in effect and on file with the ~~department~~ Division of Elementary and Secondary Education on January 1, 2005, and reduce the amount of the payment by ten percent (10%) except as provided in subdivision (b)(3)(A)(i)(b) of this section.

SECTION 675. Arkansas Code § 6-20-2503(c)(1)(B), concerning bonded debt assistance, is amended to read as follows:

(B) If a school district qualifies for bonded debt assistance under this section, the amount of bonded debt assistance under this section shall not be altered or reduced as a result of refunding the bonds that were issued and outstanding as of January 1, 2005, and the bonded debt assistance shall continue after the refunding based on the principal and interest payment schedule in effect and on file with the ~~department~~ Division of Elementary and Secondary Education on January 1, 2005.

SECTION 676. Arkansas Code § 6-20-2503(c)(2), concerning bonded debt assistance, is amended to read as follows:

(2) Nothing in this subsection shall prevent the annual adjustment of bonded debt assistance under this section in accordance with annual variations in the state wealth index and the school district's principal and interest payment schedule in effect and on file with the ~~department~~ Division of Elementary and Secondary Education on January 1, 2005.

SECTION 677. Arkansas Code § 6-20-2503(g), concerning bonded debt assistance, is amended to read as follows:

(g) Within thirty (30) days after the satisfaction of a school district's outstanding bonded indebtedness in existence as of January 1, 2005, the school district shall notify the ~~department~~ Division of Elementary and Secondary Education that the school district's outstanding bonded indebtedness in existence as of January 1, 2005, has been satisfied, which shall include defeasance, but shall exclude refunding.

SECTION 678. Arkansas Code § 6-20-2507(b), concerning the creation of the Academic Facilities Partnership Program, is amended to read as follows:

(b)(1) In order to apply for state financial participation in a new construction project, a school district shall provide the ~~division~~ Division of Public School Academic Facilities and Transportation with a detailed narrative, description, and justification for the project, a drawing, and evidence of:

(A) Preparation for the new construction project as

demonstrated by inclusion of the new construction project in the school district's facilities master plan;

(B)(i) The adoption of a resolution certifying to the ~~division~~ Division of Public School Academic Facilities and Transportation the school district's dedication of local resources to meet the school district's share of financial participation in the new construction project.

(ii) The resolution shall specify the approximate date that the board of directors of the school district intends to seek elector approval of any bond or tax measures or to apply other local resources to pay the school district's share of financial participation in the new construction project;

(C)(i) The total estimated cost of the new construction project that shall be a minimum of three hundred dollars ($300) per student or one hundred fifty thousand dollars ($150,000), whichever is less.

(ii) The ~~division~~ Division of Public School Academic Facilities and Transportation may waive the minimum requirement under subdivision (b)(l)(C)(i) of this section upon a recommendation by the Director of the Division of Public School Academic Facilities and Transportation to the Commission for Arkansas Public School Academic Facilities and Transportation for the minimum to be waived for cause and a majority of the commission votes to support the waiver;

(D) The new construction project's conformance with sound educational practices;

(E) The new construction project's compliance with current academic facilities standards, including without limitation, appropriate space utilization of the applicable school in the district as determined by the ~~division~~ Division of Public School Academic Facilities and Transportation;

(F) The allocation of project costs between new construction activities and maintenance, repair, and renovation activities if the new construction project includes improvements that could be classified as maintenance, repair, and renovation; and

(G) How the new construction project supports the prudent and resourceful expenditure of state funds and improves the school district's ability to deliver an adequate and equitable education to public school students in the district.

(2)(A) Life cycle data is advisory only and shall not be sufficient to support the approval of those items in the list of approved projects or individual items within a project.

(B) The ~~division~~ Division of Public School Academic Facilities and Transportation shall require independent proof of the failure of the equipment or other item.

SECTION 679. The introductory language of Arkansas Code § 6-20-2507(c), concerning the creation of the Academic Facilities Partnership Program, is amended to read as follows:

(c) The ~~division~~ Division of Public School Academic Facilities and Transportation shall use criteria to evaluate a school district's application for state financial participation in a new construction project, which shall include, without limitation, the following:

SECTION 680. Arkansas Code § 6-20-2507(d), concerning the creation of the Academic Facilities Partnership Program, is amended to read as follows:

(d)(1) The ~~division~~ Division of Public School Academic Facilities and Transportation shall notify the school district of the ~~division's~~ Division of Public School Academic Facilities and Transportation's decision on the application and, if applicable, the estimated amount of state financial participation in the new construction project no later than May 1 of each odd-numbered year.

(2) The ~~division's~~ Division of Public School Academic Facilities and Transportation's notice of its decision on a school district's application for state financial participation in a new construction project shall include an explanation of the evaluative factors underlying the decision of the ~~division~~ Division of Public School Academic Facilities and Transportation to provide or not provide state financial participation in support of the new construction project.

(3) The commission may withdraw committed funds if a school district had funding made available on:

(A) July 1, 2006, and does not begin construction, as evidenced by a signed construction contract, by January 31, 2010; or

(B) July 1, 2007, and does not begin construction, as evidenced by a signed construction contract, by January 31, 2011.

(4) If a construction project has not begun as required under subdivision (d)(3) of this section due to the failure of a school district to raise the school district's share of the project cost due to a failed millage election before June 1, 2009, the ~~division~~ Division of Public School Academic Facilities and Transportation may exercise its authority under § 6-21-811.

SECTION 681. Arkansas Code § 6-20-2507(e)(1), concerning the creation of the Academic Facilities Partnership Program, is amended to read as follows:

(e)(1) If the ~~division~~ Division of Public School Academic Facilities and Transportation determines that the new construction project is eligible for state financial participation, the ~~division~~ Division of Public School Academic Facilities and Transportation and the school district shall enter into an agreement specifying the terms of the state's financial participation and the conditions that must be satisfied by the school district.

SECTION 682. Arkansas Code § 6-20-2507(e)(2)(D) and (E), concerning the creation of the Academic Facilities Partnership Program, are amended to read as follows:

(D) Provide that changes to the plans for the new construction project shall be made in consultation with the ~~division~~ Division of Public School Academic Facilities and Transportation;

(E) Provide that the ~~division~~ Division of Public School Academic Facilities and Transportation or any person acting on behalf of the ~~division~~ Division of Public School Academic Facilities and Transportation may conduct on-site inspections of the new construction project as frequently as the ~~division~~ Division of Public School Academic Facilities and Transportation deems necessary to assure the prudent and resourceful expenditure of state funds with regard to public school academic facilities;

SECTION 683. Arkansas Code § 6-20-2507(f), concerning the creation of the Academic Facilities Partnership Program, is amended to read as follows:

(f)(1)(A) If a school district qualifies for state financial participation under this section, the ~~division~~ Division of Public School Academic Facilities and Transportation shall certify the amount of state financial participation to the commission.

(B) The amount of state financial participation under this section is limited to the amount resulting from the application of the academic facilities wealth index to the project cost promulgated by the commission to calculate the cost necessary to bring the academic facility into compliance with the Arkansas Public School Academic Facility Manual under § 6-21-809.

(2)(A) The commission shall certify the amount to the ~~Department of Education~~ Division of Elementary and Secondary Education for payment, less any withholding or reduction imposed by the commission under § 6-21-114(d) for a school district's failure to comply with the commission's insurance requirements.

(B) For tracking purposes, the school district shall account for the funds received as state financial participation under this section as restricted funds and shall account for the funds in accordance with provisions of law, including without limitation, the Arkansas Educational Financial Accounting and Reporting Act of 2004, § 6-20-2201 et seq., and rules established by the State Board of Education and the commission.

SECTION 684. The introductory language of Arkansas Code § 6-20-2508(c), concerning the creation of the Academic Facilities Catastrophic Program, is amended to read as follows:

(c) As part of its application for state financial participation in a catastrophic project, the school district shall provide the ~~division~~ Division of Public School Academic Facilities and Transportation with evidence of:

SECTION 685. Arkansas Code § 6-20-2508(d)-(f), concerning the creation of the Academic Facilities Catastrophic Program, are amended to read as follows:

(d)(1) The ~~division~~ Division of Public School Academic Facilities and Transportation shall evaluate a school district's application for catastrophic assistance and may conduct an on-site inspection before making a decision on the application as it deems necessary.

(2) The ~~division~~ Division of Public School Academic Facilities and Transportation shall notify the school district of the ~~division's~~ Division of Public School Academic Facilities and Transportation's decision

on the application and, if applicable, the amount of state financial participation. The ~~division~~ Division of Public School Academic Facilities and Transportation shall base its decision on several factors, including, without limitation:

(A) Compliance with appropriate academic facility standards, including, without limitation, appropriate space utilization;

(B) The amount and availability of insurance or other public or private emergency assistance;

(C) The academic facilities wealth index of the school district; and

(D) The prudent and resourceful expenditure of state funds with regard to public school academic facilities.

(e)(1)(A) If a school district qualifies for state financial participation under this section, the ~~division~~ Division of Public School Academic Facilities and Transportation shall certify the amount of state financial participation to the Commission for Arkansas Public School Academic Facilities and Transportation.

(B) The amount of state financial participation under this section shall not exceed the amount resulting from the application of the academic facilities wealth index to the cost necessary to bring the academic facility into compliance with the Arkansas Public School Academic Facility Manual, less any withholding or reduction imposed by the commission under § 6-21-114(d) for a school district's failure to comply with the commission's insurance requirements, including without limitation, the failure to carry replacement cost coverage, if applicable, on all buildings and facilities.

(2)(A) The commission shall certify the amount to the ~~Department of Education~~ Division of Elementary and Secondary Education for payment.

(B) For tracking purposes, the school district shall account for the funds received as a state financial participation under this section as restricted funds and shall account for the funds in accordance with provisions of law, including, without limitation, the Arkansas Educational Financial Accounting and Reporting Act of 2004, § 6-20-2201 et seq., and rules established by the State Board of Education and the commission.

(f) Every effort shall be made to conform a catastrophic project to current academic facilities standards, including appropriate space

utilization requirements, unless in the judgment of the ~~division~~ Division of Public School Academic Facilities and Transportation it is impractical to conform the catastrophic project to current standards.

SECTION 686. Arkansas Code § 6-20-2511(b), concerning high-growth school districts, is amended to read as follows:

(b) There is established the Academic Facilities High-Growth School District Loan Program under which the ~~Department of Education~~ Division of Elementary and Secondary Education shall provide an interest-free loan to a high-growth school district in which the mills required to service the bonded indebtedness incurred for academic facilities exceeds the maximum expected millage for the high-growth school district.

SECTION 687. Arkansas Code § 6-20-2511(d)(3)(C), concerning high-growth school districts, is amended to read as follows:

(C) Shall not otherwise change the amount of revenues available to repay the loan without the prior approval of the ~~department~~ Division of Elementary and Secondary Education.

SECTION 688. Arkansas Code § 6-20-2511(e) and (f), concerning high-growth school districts, are amended to read as follows:

(e) Within a reasonable time after its receipt, each application under subsection (c) of this section shall be examined by the ~~department~~ Division of Elementary and Secondary Education in accordance with rules established by the State Board of Education as to the accuracy of the answers contained therein.

(f)(1) After considering the merits of each application, the ~~department~~ Division of Elementary and Secondary Education may, in its discretion, approve the application for the full amount of the proposed loan, approve the application for a loan of a lesser amount than the amount requested, or disapprove the application.

(2) Before approving the application, the ~~department~~ Division of Elementary and Secondary Education shall make a determination that the total space available in the high-growth school district is less than the amount needed to accommodate the growth of students.

SECTION 689. Arkansas Code § 6-20-2516(f)-(i), concerning the creation of the Academic Facilities Review Board, are amended to read as follows:

(f) The ~~Department of Education~~ Division of Elementary and Secondary Education shall provide staff support for the board's activities.

(g)(1) Members of the board shall serve without pay.

(2) Members of the board may receive expense reimbursement in accordance with § 25-16-902, to be paid by the ~~department~~ Division of Elementary and Secondary Education to the extent money is available for that purpose.

(h) The board shall establish policies and procedures for conducting hearings and appeals.

(i)(1) Following the hearing at which all testimony and evidence are presented, the board shall make a final determination accepting, rejecting, or modifying the determination of the ~~division~~ Division of Public School Academic Facilities and Transportation.

(2) Within ten (10) business days, the board shall provide to the appellant public school district and to the ~~division~~ Division of Public School Academic Facilities and Transportation a notice of the board's final determination.

(3)(A) If the board's final determination will result in a greater level of state financial participation in a project than previously authorized by the ~~division~~ Division of Public School Academic Facilities and Transportation, the board's final determination shall be reviewed by the commission in accordance with procedures developed by the commission.

(B) A decision of the commission resulting from a review of a decision of the board under this section is final and is not subject to:

(i) Further appeal to the commission;

(ii) Request for rehearing by the commission; or

(iii) Petition for judicial review under the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

SECTION 690. Arkansas Code § 6-20-2517(b)(13)(B), concerning nursing centers in new schools, is amended to read as follows:

(B) The ~~Department of Education~~ Division of Elementary and Secondary Education may purchase appropriate software that is accessible to a school district depending on the availability of funding;

SECTION 691. The introductory language of Arkansas Code § 6-21-106(g), concerning fire hazard inspection at schools prior to closing for breaks, is amended to read as follows:

(g) The chief executive officer of the fire department shall notify the State Fire Marshal Enforcement Section of the Department of Arkansas State Police and the ~~Department of Education~~ Division of Elementary and Secondary Education if:

SECTION 692. Arkansas Code § 6-21-112(e), concerning the creation of the Division of Public School Academic Facilities and Transportation, is amended to read as follows:

(e)(1) The Director of the ~~Department~~ Division of Information Systems shall assign one (1) individual to serve as a technology liaison to the Division of Public School Academic Facilities and Transportation.

(2) The ~~Director~~ Secretary of the Department of Finance and Administration shall assign one (1) individual from the staff of the Building Authority Division ~~of the Department of Finance and Administration~~ to serve as a physical plant liaison to the Division of Public School Academic Facilities and Transportation.

SECTION 693. Arkansas Code § 6-21-112(h), concerning the creation of the Division of Public School Academic Facilities and Transportation, is amended to read as follows:

(h) The ~~Department of Education~~ Division of Elementary and Secondary Education shall coordinate and share certain administrative, custodial, legal, internal finance, and other necessary personnel and responsibilities to effectuate the daily operations of the Division of Public School Academic Facilities and Transportation and the ~~Department~~ Division of Information Systems.

SECTION 694. Arkansas Code § 6-21-114(a)(2), concerning the creation of the Commission for Arkansas Public School Academic Facilities and Transportation, is amended to read as follows:

(2) The Commissioner of Elementary and Secondary Education; and

SECTION 695. Arkansas Code § 6-21-114(b)(1), concerning the creation of the Commission for Arkansas Public School Academic Facilities and Transportation, is amended to read as follows:

(b)(1) The members of the commission shall meet and organize immediately after March 29, 2005. The Commissioner of Elementary and Secondary Education shall be the chair of the commission.

SECTION 696. Arkansas Code § 6-21-114(c), concerning the creation of the Commission for Arkansas Public School Academic Facilities and Transportation, is amended to read as follows:

(c) Staff support shall be provided by appropriate personnel of the Department of Finance and Administration, the ~~Department of Education~~ Division of Elementary and Secondary Education, the Arkansas Development Finance Authority, and the ~~division~~ Division of Public School Academic Facilities and Transportation.

SECTION 697. Arkansas Code § 6-21-114(d)(1), concerning the creation of the Commission for Arkansas Public School Academic Facilities and Transportation, is amended to read as follows:

(1) Oversee the operations of the ~~division~~ Division of Public School Academic Facilities and Transportation;

SECTION 698. Arkansas Code § 6-21-115(a) and (b), concerning the name, operation, and director of the Division of Public School Academic Facilities and Transportation, are amended to read as follows:

(a) The division established under § 6-21-112 within the Division of Elementary and Secondary Education shall be known as the "Division of Public School Academic Facilities and Transportation" ~~of the Department of Education~~.

(b)(1) The ~~division~~ Division of Public School Academic Facilities and Transportation shall operate under the direction, control, and supervision of the Commission for Arkansas Public School Academic Facilities and Transportation.

(2) The ~~division~~ Division of Public School Academic Facilities and Transportation shall not operate under the direction, control, and supervision of the State Board of Education.

SECTION 699. Arkansas Code § 6-21-303(c), concerning soliciting bids for the procurement of commodities by the board of directors of each school district, is amended to read as follows:

(c) The ~~Department of Education~~ Division of Elementary and Secondary Education may grant a waiver of the requirements of subsection (b) of this section if a school district requests a waiver and the school district is in fiscal distress.

SECTION 700. Arkansas Code § 6-21-304(a)(1)(B), concerning the manner of making purchases by a school district, is amended to read as follows:

(B) Annually on July 1, the Commissioner of Elementary and Secondary Education shall adjust the purchase price amounts under subdivision (a)(1)(A) of this section by the percentage change in the Consumer Price Index for All Urban Consumers or its successor.

SECTION 701. Arkansas Code § 6-21-403(d), concerning the public school district requirements for instruction material, is amended to read as follows:

(d)(1)(A) The ~~Department of Education~~ Division of Elementary and Secondary Education shall monitor to ensure that all school districts in Arkansas comply with this section.

(B) The ~~department~~ division shall report in the annual school performance report a school district that fails to provide instructional materials, including the availability of any equipment needed to access the instructional materials.

(2) The state board, through the ~~department~~ division, may promulgate rules as may be necessary to carry out this subchapter and shall report to the members of the House Committee on Education and Senate Committee on Education annually any school district out of compliance by November 1 of each year.

SECTION 702. Arkansas Code § 6-21-410(a)(1), concerning illegal acts involving school officials, is amended to read as follows:

(a)(1) It shall be illegal for the Commissioner of Elementary and Secondary Education or any other employee connected with the ~~Department of~~

~~Education~~ Division of Elementary and Secondary Education, any member of any selecting committee, or any member of any school district board of directors to accept or receive any money, gift, property, or favor whatsoever from any person, firm, or corporation, or any agent thereof offering for sale any item pursuant to this subchapter or from any person in any way interested in such sale.

SECTION 703. Arkansas Code § 6-21-410(c)(1), concerning illegal acts involving school officials, is amended to read as follows:

(c)(1) It shall be illegal for any person directly or indirectly to promise or offer to give or cause to be promised, offered, or given any money, good, bribe, present, reward, or any valuable thing whatsoever to the commissioner, his or her assistants, or any other employee of the ~~Department of Education~~ Division of Elementary and Secondary Education, the Director of the ~~Department~~ Division of Career and Technical Education, his or her assistants or any other employee of the ~~Department~~ Division of Career and Technical Education, any school district board members, teachers, or other persons with the intent of influencing their decisions on any questions, matters, causes, or proceedings in the selection of instructional materials.

SECTION 704. Arkansas Code § 6-21-811 is amended to read as follows:

6-21-811. Academic Facilities Distress Program.

(a) The Commission for Arkansas Public School Academic Facilities and Transportation shall classify a public school or school district as being in academic facilities distress if the Division of Public School Academic Facilities and Transportation recommends and the commission concurs that the public school or school district has engaged in actions or inactions that result in any of the following:

(1) Any act or violation determined by the ~~division~~ Division of Public School Academic Facilities and Transportation to jeopardize any academic facility used by a public school or school district, including, but not limited to:

(A) Material failure to properly maintain academic facilities in accordance with this subchapter and rules adopted by the commission;

(B) Material violation of local, state, or federal fire,

health, or safety code provisions or laws;

(C) Material violation of applicable building code provisions or law;

(D) Material failure to provide timely and accurate facilities master plans to the ~~division~~ Division of Public School Academic Facilities and Transportation;

(E) Material failure to comply with state law governing purchasing, bid requirements, or school-construction-related laws or rules in relation to academic facilities projects;

(F) Material default on any school district debt obligation; or

(G) Material failure to plan and progress satisfactorily toward accomplishing the priorities established by the ~~division~~ Division of Public School Academic Facilities and Transportation and the approved school district's facilities master plan; and

(2) Any other condition of an academic facility or facilities in a public school or school district that is determined by the ~~division~~ Division of Public School Academic Facilities and Transportation to have a detrimental impact on educational services provided by that public school or school district.

(b) The ~~division~~ Division of Public School Academic Facilities and Transportation shall provide written notice, via certified mail, return receipt requested, to the president of the board of directors and the superintendent of the school district identified or containing a school identified by the ~~division~~ Division of Public School Academic Facilities and Transportation as being in facilities distress.

(c)(1) By August 31 of each year, the ~~division~~ Division of Public School Academic Facilities and Transportation shall notify the superintendent of a school district if the ~~division~~ Division of Public School Academic Facilities and Transportation is aware the school district has experienced two (2) or more indicators of facilities distress in one (1) school year that the ~~division~~ Division of Public School Academic Facilities and Transportation deems to be nonmaterial but that without intervention could place the district in facilities distress.

(2) The superintendent of a school district shall report to the ~~division~~ Division of Public School Academic Facilities and Transportation if

the superintendent is aware the school district has experienced two (2) or more indicators of facilities distress in one (1) school year that the superintendent deems to be nonmaterial but that without intervention could place the district in facilities distress.

(3)(A) The ~~division~~ Division of Public School Academic Facilities and Transportation and the superintendent shall review all data related to the nonmaterial indicators of facilities distress.

(B)(i) Within thirty (30) days of the ~~division's~~ Division of Public School Academic Facilities and Transportation's determination that the school district may be experiencing facilities distress at a nonmaterial level, the ~~division~~ Division of Public School Academic Facilities and Transportation shall provide a notice to the school district's superintendent and board of directors that:

(a) Describes the nonmaterial indicators of facilities distress that could have a detrimental impact on educational services provided by the affected public school or the school district if not addressed; and

(b) Identifies the support available from the ~~division~~ Division of Public School Academic Facilities and Transportation to address each nonmaterial indicator of facilities distress.

(ii) The board of directors shall place on the agenda for the next regularly scheduled meeting of the board of directors a discussion of the notice of nonmaterial indicators of facilities distress.

(4)(A) If any condition of an academic facility raises a significant health or safety issue, the superintendent of the school district where the academic facility is located or the person responsible for the management of the academic facility shall immediately notify the ~~division~~ Division of Public School Academic Facilities and Transportation and the board of directors of the school district.

(B) The board of directors shall place on the agenda for the next regularly scheduled meeting of the board of directors a discussion of the notice of the significant health or safety issue.

(d)(1) A public school or school district classified by the commission as being in facilities distress shall develop a facilities improvement plan within thirty (30) days from the date of classification and promptly submit the facilities improvement plan to the ~~division~~ Division of Public School

Academic Facilities and Transportation for review and approval.

(2) A public school or school district shall review and revise its facilities improvement plan on a periodic basis as determined by the ~~division~~ Division of Public School Academic Facilities and Transportation and submit the updated facilities improvement plan to the ~~division~~ Division of Public School Academic Facilities and Transportation in order for the ~~division~~ Division of Public School Academic Facilities and Transportation to determine whether the public school or school district is correcting its deficient areas of practice regarding academic facilities.

(3) A school district shall use facilities improvement plans as necessary to supplement and update its facilities master plan.

(e)(1) Every two (2) years, the ~~division~~ Division of Public School Academic Facilities and Transportation shall determine whether the progress of each school district complies with the school district's facilities master plan and shall notify the school district of any noncompliance.

(2) Every two (2) years, the ~~division~~ Division of Public School Academic Facilities and Transportation shall review the applications made for the Academic Facilities Partnership Program established under § 6-20-2507, to identify any school district that did not apply for state funding for necessary facilities to meet adequacy requirements and shall notify the school district of any deficiencies.

(3) Within thirty (30) days of receiving the notice provided under subdivision (e)(1) or subdivision (e)(2) of this section, the school district shall submit a facilities improvement plan to the ~~division~~ Division of Public School Academic Facilities and Transportation for its review and approval that states how the school district will address the noncompliance issues contained in the notice.

(4) If the ~~division~~ Division of Public School Academic Facilities and Transportation does not approve the facilities improvement plan submitted by the school district, it shall identify the school district as being in facilities distress.

(5) A school district may appeal the identification of the ~~division~~ Division of Public School Academic Facilities and Transportation under this subsection to the commission pursuant to the procedures established by the commission~~;~~.

(f)(1)(A) Within ten (10) days of a school district's failure to pass

a millage required to fulfill its obligations under the school district's facilities master plan, the ~~division~~ Division of Public School Academic Facilities and Transportation shall provide written notice to the school district of the date, time, and place for a conference with the school district at which the ~~division~~ Division of Public School Academic Facilities and Transportation will:

(i) Determine whether as a result of the failed millage there are facilities issues relating to:

(a) Immediate repairs under § 6-20-2504(b)(4) [repealed];

(b) The presence and number of suitability needs of public school academic facilities, which shall be defined by rule; or

(c) Immediate need for academic facilities to meet student growth; and

(ii) Thoroughly discuss and explain the sanctions and requirements that are available to the commission if the school district or a school within the district is classified by the commission as being in facilities distress under this section and § 6-21-812.

(B) The written notice shall be provided via certified mail to the president of the school district board of directors and the superintendent of the school district.

(C) The commission shall establish rules for the implementation of this subdivision (f)(1).

(2)(A) If the commission determines that there are immediate repairs, growth, or suitability issues that require expedited attention, the commission may direct the school district to conduct a special election to vote on a millage increase.

(B)(i) The ~~division~~ Division of Public School Academic Facilities and Transportation and the school district shall agree upon the issues to be submitted for a vote in the special election.

(ii) The special election may not include any issues other than the issues that are mutually agreed upon.

(C) The special election shall be held on a date that is:

(i) Mutually agreed upon by the ~~division~~ Division of Public School Academic Facilities and Transportation and the school district;

and

(ii) Not later than seven (7) months from the date of the election at which the millage failed unless it is necessary to extend the date beyond seven (7) months because of restrictions on the number of elections that may be held within a calendar year.

(D) If within ninety (90) days from the notice provided to the school district under subdivision (f)(1)(A) of this section the school district has not set an election date, the ~~division~~ Division of Public School Academic Facilities and Transportation shall identify the school district as being in facilities distress.

(E)(i) If the school district is able to finance the immediate repairs, growth, and suitability improvements without the necessity of a special election on increasing its millage, the school district may enter into an agreement with the ~~division~~ Division of Public School Academic Facilities and Transportation to fund its improvements separately, which shall include an implementation timeframe.

(ii) The ~~division~~ Division of Public School Academic Facilities and Transportation shall identify the school district as being in facilities distress for failure to implement the agreed upon plan for immediate repairs, growth, and suitability improvements within the timeframe specified in the agreement.

(g) When a school district is classified by the commission to be in facilities distress, the ~~division~~ Division of Public School Academic Facilities and Transportation may with the approval of the commission:

(1)(A) Provide on-site technical evaluation and assistance and make written recommendations to the school district superintendent regarding the care and maintenance of any academic facility in the school district.

(B) Any school district classified as being in facilities distress status shall accept on-site technical evaluation and assistance from the ~~division~~ Division of Public School Academic Facilities and Transportation.

(C) The written recommendations of the ~~division~~ Division of Public School Academic Facilities and Transportation are binding on the school district, the superintendent, and the board of directors;

(2) Remove permanently, reassign, or suspend on a temporary basis the superintendent of the school district, and:

(A) Appoint an individual in place of the superintendent to administratively operate the school district under the supervision and approval of the Commissioner of Elementary and Secondary Education; and

(B) Compensate from school district funds the individual appointed to operate the school district;

(3) Suspend or remove some or all of the current board of directors and call for the election of a new board of directors for the school district, in which case the school district shall reimburse the county board of election commissioners for election costs as otherwise required by law;

(4) Require the school district to operate without a board of directors under the supervision of the superintendent or an individual or panel appointed by the commissioner;

(5) Waive the application of Arkansas law or the corresponding State Board of Education rules and regulations, with the exception of:

(A) The Teacher Fair Dismissal Act of 1983, § 6-17-1501 et seq.; and

(B) The Public School Employee Fair Hearing Act, § 6-17-1701 et seq.;

(6) In the absence of a school district board of directors, direct the commissioner to assume all authority of the board of directors as may be necessary for the day-to-day governance of the school district;

(7)(A) Return the administration of the school district to the former board of directors or place the administration of the school district in a newly elected board of directors if:

(i) The ~~division~~ Division of Public School Academic Facilities and Transportation certifies in writing to the commission and to the school district that the school district has corrected all issues that caused the classification of facilities distress; and

(ii) The commission determines the school district has corrected all issues that caused the classification of facilities distress.

(B) If the ~~division~~ Division of Public School Academic Facilities and Transportation calls for an election of a new school district board of directors, the school district shall reimburse the county board of election commissioners for election costs as otherwise required by law;

(8) Require school district staff and employees to attend training in areas of concern for the public school or school district;

(9)(A) Require a school district to cease all expenditures related to activities not described as part of an adequate education in § 6-20-2302 and place money that would have been spent on the activities into an academic facilities escrow account to be released only upon approval by the ~~division~~ Division of Public School Academic Facilities and Transportation for use in conjunction with a local academic facilities project.

(B) School districts shall include a clause addressing this contingency in all contracts with personnel who are involved with activities not described as part of an adequate education;

(10) Notify the public school or school district in writing that the deficiencies regarding academic facilities shall be corrected within a time period designated by the ~~division~~ Division of Public School Academic Facilities and Transportation;

(11)(A) Petition the state board at any time for the consolidation, annexation, or reconstitution of a school district in facilities distress or take other appropriate action as allowed by this subchapter in order to secure and protect the best interest of the educational resources of the state or to provide for the best interest of students in the school district.

(B) The state board may approve the petition or take other appropriate action as allowed by this subchapter.

(C) Except as set forth in subdivision (g)(11)(D) of this section or subsection (n) of this section, the state board shall consolidate, annex, or reconstitute any school district that fails to remove itself from the classification of a school district in facilities distress within five (5) consecutive school years of classification of facilities distress status.

(D) The state board may grant additional time for a public school or school district to remove itself from facilities distress by issuing a written finding supported by a majority of the state board explaining in detail that the public school or school district could not remove itself from facilities distress during the relevant time period due to impossibility caused by external forces beyond the control of the public school or school district;

(12) Correct the failure of a school district to complete its

agreed plan or to pass the millage in the special election under subdivision (f)(2) of this section by contracting for and completing the necessary improvements under the agreed plan;

(13)(A) If the ~~division~~ Division of Public School Academic Facilities and Transportation recommends and the commission concurs that the academic facilities in the public school district in facilities distress are inadequate to provide an adequate education, the state board may dissolve the school district and transfer students to public schools in other public school districts.

(B) The state board shall assign the public school district's territory, property, and debt; and

(14) Take any other action allowed by law that is deemed necessary to assist a public school or school district in correcting the issues that caused the classification of facilities distress, to secure and protect the best interest of the educational resources of the state, or to provide for the best interest of students in the school district.

(h) No school district identified by the ~~division~~ Division of Public School Academic Facilities and Transportation as being in facilities distress may incur any debt without the prior written approval of the commission.

(i) A public school or school district in facilities distress may petition the commission for removal from facilities distress status only after the ~~division~~ Division of Public School Academic Facilities and Transportation has certified in writing that the public school or school district has corrected all criteria for being classified as in facilities distress and has complied with all ~~division~~ Division of Public School Academic Facilities and Transportation recommendations and requirements for removal from facilities distress status.

(j) The ~~division~~ Division of Public School Academic Facilities and Transportation shall submit a written evaluation on the status of each school district in facilities distress to the commission and the state board at least one (1) time every six (6) months.

(k)(l)(A) If a school district is classified by the commission as being in facilities distress and has immediate repairs, growth, or suitability improvement issues, the ~~division~~ Division of Public School Academic Facilities and Transportation, in addition to any other remedy under this section and § 6-21-812, may provide a loan to the school district to be

repaid from any funds available that are not required to provide an adequate education.

(B)(i) Funds available that are not required to provide an adequate education include:

(a) Fund balances and any cash on hand that are not part of foundation funding or categorical funding under § 6-20-2305 and are not otherwise required to provide an adequate education for students in the public school district; and

(b) Revenues that are not obligated on bonds.

(ii) Funds remaining after the annual payment on a bond obligation are included in funds that are not required to provide an adequate education.

(2) The public school district shall repay the loan on the schedule determined by the ~~division~~ Division of Public School Academic Facilities and Transportation.

(l) The commission in conjunction with the Academic Facilities Oversight Committee shall:

(1) Reexamine the role and function of the State Facility Assessment of 2004;

(2) Assess the progress made by the state in the mandates of the Supreme Court in Lake View School District No. 25 v. Huckabee, 351 Ark. 31, 91 S.W.3d 472 (2002); and

(3) Make needed changes in the implementation of the academic facilities program by modifying the commission's rules.

(m) If the ~~division~~ Division of Public School Academic Facilities and Transportation or the commissioner assumes authority over a public school district in facilities distress under subsection (g) of this section, the commission may pursue the following process for returning a public school district to the local control of its residents:

(1) During the second full school year following the assumption of authority, the commission shall determine the extent of the school district's progress toward correcting all issues that caused the classification of facilities distress;

(2)(A) If the commission determines that sufficient progress has been made by a school district toward correcting all criteria for being classified as in facilities distress, but the school district has not yet

resolved all issues that caused the classification of facilities distress, the commissioner, with the approval of the commission, may appoint a community advisory board of either five (5) or seven (7) members to serve under the supervision and approval of the commissioner.

(B) The members of the community advisory board shall be residents of the school district and shall serve on a voluntary basis without compensation.

(C) The ~~Department of Education~~ Division of Elementary and Secondary Education shall cause to be provided to the community advisory board technical assistance and training in, at a minimum, the areas required in § 6-13-629.

(D) The duties of the community advisory board include without limitation:

(i) Meeting monthly during a regularly scheduled public meeting with the state-appointed administrator regarding the progress of the school or school district toward correcting all issues that caused the classification of facilities distress;

(ii) Seeking community input from the residents of the school district regarding the progress of the school or school district toward correcting all issues that caused the classification of facilities distress;

(iii) Conducting hearings and making recommendations to the commissioner regarding personnel and student discipline matters as set forth in the appropriate district policies;

(iv) Working to build community capacity for the continued support of the school district; and

(v) Submitting quarterly reports to the commissioner and the commission regarding the progress of the school or school district toward correcting all issues that caused the classification of facilities distress.

(E) The members of the community advisory board shall serve at the pleasure of the commissioner until:

(i) The school district is returned to local control and a permanent school district board of directors is elected and qualified; or

(ii) The state board, upon petition of the

commission or ~~division~~ the Division of Public School Academic Facilities and Transportation, annexes, consolidates, or reconstitutes the school district pursuant to this title or under another provision of law;

(3) By April 1 of each year following the appointment of a community advisory board pursuant to subdivision (m)(2) of this section, the commission shall determine the extent of the school district's progress toward correcting all criteria for being classified as in facilities distress and shall:

(A) Allow the community advisory board to remain in place for an additional year;

(B)(i) Return the school district to local control by calling for the election of a newly elected school district board of directors if:

(a) The ~~division~~ Division of Public School Academic Facilities and Transportation certifies in writing to the commission and to the school district that the school district has corrected all issues that caused the classification of facilities distress; and

(b) The commission determines the school district has corrected all issues that caused the classification of facilities distress.

(ii) If the ~~division~~ Division of Public School Academic Facilities and Transportation or the commission calls for an election of a new school district board of directors, the school district shall reimburse the county board of election commissioners for election costs as otherwise required by law; or

(C) Petition the state board for the annexation, consolidation, or reconstitution of the school district under this section; and

(4)(A) If the ~~division~~ Division of Public School Academic Facilities and Transportation, with the approval of the commission, calls for an election of a new school district board of directors pursuant to subdivision (g)(7) of this section, the commissioner, with the approval of the commission, may appoint an interim board of directors to govern the school district until a permanent school district board of directors is elected and qualified.

(B) The interim board of directors shall consist of either

five (5) or seven (7) members.

(C) The members of the interim board of directors shall be residents of the school district and otherwise eligible to serve as board members under applicable law.

(D) The members of the interim board of directors shall serve on a voluntary basis without compensation.

(n)(1) If, by the end of the fifth school year following the school district's classification of facilities distress status, the school district in facilities distress has not corrected all issues that caused the classification of facilities distress, the state board, upon petition from the commission or ~~division~~ the Division of Public School Academic Facilities and Transportation and after a public hearing, shall consolidate, annex, or reconstitute the school district under this section.

(2) The state board may grant additional time for a public school or school district to remove itself from facilities distress by issuing a written finding supported by a majority of the state board explaining in detail that the public school or school district could not remove itself from facilities distress during the relevant time period due to impossibility caused by external forces beyond the control of the public school or school district.

(o) This section does not prevent the ~~division~~ Division of Public School Academic Facilities and Transportation, the commission, or state board from taking any of the actions listed in this section at any time to address a public school or school district in facilities distress.

SECTION 705. Arkansas Code § 6-23-103(3)(A), concerning the definition of "authorizer" under the Arkansas Quality Charter Schools Act of 2013, is amended to read as follows:

(A) ~~Department of Education~~ Division of Elementary and Secondary Education; or

SECTION 706. Arkansas Code § 6-23-105(d)(2)(A), concerning the basis and procedure for public charter school probation or charter modification, revocation, or denial of renewal, is amended to read as follows:

(2)(A) The hearing shall be held at the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 707. Arkansas Code § 6-23-105(e), concerning the basis and procedure for public charter school probation or charter modification, revocation, or denial of renewal, is amended to read as follows:

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

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

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

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

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

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

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

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

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

SECTION 708. Arkansas Code § 6-23-107 is amended to read as follows:

6-23-107. Reporting requirements.

(a) Within ten (10) calendar days of the close of the first quarter of each school year, a public charter school shall submit a written report to

the ~~Department of Education~~ Division of Elementary and Secondary Education that contains the following information for the current school year:

(1) The number of applications for enrollment received;

(2) The number of applicants with a disability identified under the Individuals with Disabilities Education Act, 20 U.S.C. § 1400 et seq.; and

(3) The number of applications for enrollment the public charter school denied and an explanation of the reason for each denial.

(b) Within ten (10) calendar days of the close of the fourth quarter of each school year, a public charter school shall submit a written report to the ~~department~~ division that contains the following information for the current school year:

(1) The number of students in each of the following categories:

(A) Students who dropped out of the public charter school during the school year;

(B) Students who were expelled during the school year by the public charter school; and

(C) Students who were enrolled in the public charter school but for a reason other than those cited in subdivisions (b)(1)(A) and (B) of this section did not complete the school year at the public charter school; and

(2)(A) For all students enrolled in the public charter school, the scores for assessments required under the Arkansas Educational Support and Accountability Act, § 6-15-2901 et seq.

(B) If there is any discrepancy in the number of students for whom scores are reported under this subdivision (b)(2) and the number of students enrolled at the beginning of the school year, the public charter school shall explain in the report the reason for the discrepancy.

(c) The ~~department~~ division shall not exempt a public charter school from the reporting required under this section.

(d) The ~~department~~ division shall publish a copy of each report on the ~~department's~~ division's website.

(e) If a public charter school fails to comply with this section, the ~~department~~ division shall note the failure in the annual evaluation of the public charter school.

SECTION 709. Arkansas Code § 6-23-108(b)(3), concerning a school for agricultural studies, is amended to read as follows:

(3) A written review of the agricultural studies plan from the ~~Department~~ Division of Career and Technical Education.

SECTION 710. Arkansas Code § 6-23-203(b), concerning the resubmission of applications for a conversion to an open-enrollment public charter school, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education may provide technical assistance to the conversion public charter school applicants in the:

(1) Creation of its application; and

(2) Modification of its application as directed by the authorizer.

SECTION 711. Arkansas Code § 6-23-304(b)(3), concerning open-enrollment public charter school requirements and preferences for certain districts, is amended to read as follows:

(3) When the district has been classified by the ~~Department of Education~~ Division of Elementary and Secondary Education as in some phase of school improvement status under § 6-15-426 [repealed] or some phase of fiscal distress under the Arkansas Fiscal Assessment and Accountability Program, § 6-20-1901 et seq., if the fiscal distress status is a result of administrative fiscal mismanagement, as determined by the state board.

SECTION 712. Arkansas Code § 6-23-304(c)(1)(A), concerning open-enrollment public charter school requirements and preferences for certain districts, is amended to read as follows:

(c)(1)(A) The ~~department~~ division, the State Board of Education, or a combination of the ~~department~~ division and state board may grant no more than a total of twenty-four (24) charters for open-enrollment public charter schools except as provided under subdivision (c)(1)(B) of this section.

SECTION 713. Arkansas Code § 6-23-304(c)(1)(C), concerning open-enrollment public charter school requirements and preferences for certain districts, is amended to read as follows:

(C) By March 1 each year, the ~~department~~ division shall issue a commissioner's memo stating the existing limitation on the number of charters available for open-enrollment public charter schools and the number of charters available for open-enrollment public charter schools during the next application cycle.

SECTION 714. Arkansas Code § 6-23-305(b), concerning a notice of disapproval to an open-enrollment public charter school and assistance with resubmission of application, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education may provide technical assistance to the applicant for an open-enrollment public charter school in the:

(1) Creation of its application; and

(2) Modification of its application as directed by the authorizer.

SECTION 715. Arkansas Code § 6-23-402(c), concerning enrollment numbers and deadlines for an open-enrollment public charter school, is amended to read as follows:

(c) Open-enrollment public charter schools shall keep records of attendance in accordance with the law and submit quarterly attendance reports to the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 716. Arkansas Code § 6-23-404(a), concerning the evaluation of an open-enrollment public charter school, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall cause to be conducted an annual evaluation of open-enrollment public charter schools.

SECTION 717. Arkansas Code § 6-23-405 is amended to read as follows:

6-23-405. Monthly reports.

An open-enrollment public charter school in its initial school year of operation shall provide monthly reports on its enrollment status and compliance with its approved budget for the current school year to the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 718. Arkansas Code § 6-23-406 is amended to read as follows:

6-23-406. ~~Department of Education~~ Division of Elementary and Secondary Education review.

The ~~Department of Education~~ Division of Elementary and Secondary Education shall:

(1) Conduct an end-of-semester review of each open-enrollment public charter school that is in its initial school year of operation at the end of the first semester and at the end of the school year; and

(2) Report to the State Board of Education and the Commissioner of Elementary and Secondary Education on the open-enrollment public charter school's:

(A) Overall financial condition; and

(B) Overall condition of student enrollment.

SECTION 719. Arkansas Code § 6-23-501(a)(5) and (6), concerning funding for open-enrollment public charter schools, are amended to read as follows:

(5) The ~~Department of Education~~ Division of Elementary and Secondary Education shall distribute other categorical funding under § 6-20-2305(a) and (b) for which an open-enrollment public charter school is eligible as provided by state law and rules promulgated by the state board.

(6) An open-enrollment public charter school shall not be denied foundation funding, enhanced educational funding, or categorical funding in the first year or any year of operation provided that the open-enrollment public charter school submits to the ~~department~~ division the number of students eligible for funding as specified in applicable rules.

SECTION 720. Arkansas Code § 6-23-506(b)(1), concerning the assets of a school as property of the state, is amended to read as follows:

(b)(1) If the open-enrollment public charter school used state funds to purchase or finance personal property, real property, or fixtures for use by the open-enrollment public charter school, the ~~Department of Education~~ Division of Elementary and Secondary Education may require that the property be sold.

SECTION 721. Arkansas Code § 6-23-701 is amended to read as follows:

6-23-701. Designated public charter authorizer.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education is the designated public charter authorizer with jurisdiction and authority over all public charters issued in this state to take the following action on a proposed or established public charter:

(1) Approve;

(2) Reject;

(3) Renew;

(4) Non-renew;

(5) Place on probation;

(6) Modify;

(7) Revoke; or

(8) Deny.

(b)(1) The ~~department~~ division shall exercise authority over public charter schools under this chapter through a public charter authorizing panel established within the ~~department~~ division.

(2)(A) The Commissioner of Elementary and Secondary Education shall appoint a public charter authorizing panel that may consist of individuals from outside the ~~department~~ division as well as professional staff employed at the ~~department~~ division to serve at the pleasure of the commissioner.

(B) The commissioner may elect to serve as a member on the charter authorizing panel as the chair.

(3) The public charter authorizing panel is composed of an odd number of members and consists of no less than five (5) members and no more than eleven (11) members.

(c) The ~~department~~ division may waive provisions of Title 6 or State Board of Education rules as allowed by law for public charters.

(d)(1) The ~~department~~ division shall conduct all hearings on public charter school matters as required by law, rule, and process and make final determinations as allowed by law.

(2)(A) A hearing under this chapter conducted by the ~~department~~ division shall be an open meeting under the Freedom of Information Act of 1967, § 25-19-106.

(B) For the purposes of § 25-19-106, the members of the

public charter authorizing panel shall be considered a governing body only in regard to actions specifically authorized by this subchapter.

(3)(A) All decisions of the panel shall be made by majority vote of the quorum.

(B) A decision of the ~~department~~ division is final except as provided under § 6-23-703.

(4) The Arkansas Administrative Procedure Act, § 25-15-201 et seq., shall not apply to a hearing concerning a public charter school.

(e) The ~~department~~ division shall be the Elementary authorizer of public charters except as provided under § 6-23-703.

SECTION 722. Arkansas Code § 6-23-702(b), concerning public charter authorizing procedures, is amended to read as follows:

(b)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall notify in writing the State Board of Education, charter applicant, public charter school, and affected school districts, if any, of final decisions made by the ~~department~~ division no less than fourteen (14) calendar days before the next regularly scheduled State Board of Education meeting after the final decision is made by the ~~department~~ division.

(2)(A) A charter applicant, public charter school, and affected school district, if any, may submit in writing a request that the state board review the final decision of the ~~department~~ division under § 6-23-703.

(B) The written request submitted under subdivision (b)(2)(A) of this section shall state the specific reasons supporting a review by the state board.

(3) The decision of whether to review a final decision of the ~~department~~ division is discretionary by the state board and the provisions of this section and § 6-23-703 do not grant any right of appeal to a charter applicant, public charter school, or affected school district.

SECTION 723. Arkansas Code § 6-23-703 is amended to read as follows:

6-23-703. State Board of Education optional review.

(a) On a motion approved by a majority vote, the State Board of Education may exercise a right of review of a charter determination made by the ~~Department of Education~~ Division of Elementary and Secondary Education at

the next regularly scheduled state board meeting after receiving notice provided under § 6-23-702(b).

(b) If the state board votes to review a final decision made by the ~~department~~ division, the state board shall:

(1) State the specific additional information the state board requires from the ~~department~~ division, public charter school, public charter school applicant, or affected school district;

(2) Conduct a full hearing regarding a final decision by the ~~department~~ division under § 6-23-701(a); and

(3) Hold the hearing at the earlier of:

(A) The next regularly scheduled state board meeting following the state board meeting during which the state board voted to authorize a review; or

(B) A special board meeting called by the state board.

(c)(1) At the conclusion of the hearing, the state board may issue a final decision by state board vote.

(2) The state board may decide by majority vote of the quorum to:

(A) Affirm the decision of the ~~department~~ division;

(B) Take other lawful action on the public charter; or

(C)(i) Request additional information from the ~~department~~ division, public charter school, public charter school applicant, or affected school district, if needed.

(ii) If the state board requests additional information under subdivision (c)(2)(C)(i) of this section, the state board shall hold a subsequent hearing at the earlier of:

(a) The next regularly scheduled state board meeting; or

(b) A special board meeting called by the state board.

(3) A decision made by the state board is final with no right of appeal.

(d) The state board may promulgate rules as necessary to implement this section.

SECTION 724. Arkansas Code § 6-23-907(a), concerning the failure to

remit payment by an open-enrollment public charter school, is amended to read as follows:

(a) If an open-enrollment public charter school fails to remit payment for an outstanding loan under the Open-Enrollment Public Charter School Facilities Loan Fund, upon certification of the amount of delinquent funds by the Division of Public School Academic Facilities and Transportation, the amount of delinquent funds including penalties and interest may be deducted from the operating funds designated to the open-enrollment public charter school through the ~~Department of Education~~ Division of Elementary and Secondary Education and remitted directly by the ~~department~~ Division of Elementary and Secondary Education to the Open-Enrollment Public Charter School Facilities Loan Fund if requested by the ~~division~~ Division of Public School Academic Facilities and Transportation.

SECTION 725. Arkansas Code § 6-23-908(e)(1) and (2), concerning the Open-Enrollment Public Charter School Facilities Funding Aid Program, are amended to read as follows:

(e)(1) If an open-enrollment public charter school fails to use funds received under this section as provided under subsection (d) of this section or no longer has the need for the funds, the ~~division~~ Division of Public School Academic Facilities and Transportation shall certify and recoup the funds from the operating funds designated to the open-enrollment public charter school through the ~~Department of Education~~ Division of Elementary and Secondary Education and remitted directly by the ~~department~~ Division of Elementary and Secondary Education.

(2) The operating funds from which the ~~division~~ Division of Public School Academic Facilities and Transportation may recoup funds from an open-enrollment public charter school are limited to:

(A) State funding distributed under § 6-20-2305, including without limitation state foundation funding and state categorical funding;

(B) Federal funding to the extent allowed under federal law; and

(C) The net assets of an open-enrollment public charter school deemed property of the state upon revocation or nonrenewal of the charter after all legal debts owed to third parties are satisfied.

SECTION 726. Arkansas Code § 6-23-1003(b), concerning the resubmission of applications, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education may provide technical assistance to the adult education charter school applicant in the creation or modification of its application.

SECTION 727. The introductory language of Arkansas Code § 6-23-1007, concerning reporting by the Department of Education, is amended to read as follows:

The ~~Department of Education~~ Division of Elementary and Secondary Education shall report to the Senate Committee on Education and the House Committee on Education by December 1 each year concerning:

SECTION 728. Arkansas Code § 6-24-106(b)(2)(A), concerning public school administrators, is amended to read as follows:

(2)(A) However, a member of an administrator's family or former spouse may not be initially employed as a disbursing officer of the public educational entity where the administrator is employed unless the public educational entity receives written approval from the Commissioner of Elementary and Secondary Education.

SECTION 729. Arkansas Code § 6-24-106(c)(3)(B)(iii), concerning public school administrators, is amended to read as follows:

(iii) The written resolution and other relevant data shall be sent by certified mail, return receipt requested, or other method approved by the State Board of Education to assure that adequate notice has been received by the ~~Department of Education~~ Division of Elementary and Secondary Education and to provide a record for the school district board of directors sending the request for approval.

SECTION 730. Arkansas Code § 6-24-106(c)(6), concerning public school administrators, is amended to read as follows:

(6) The ~~Department of Education~~ Division of Elementary and Secondary Education and the public educational entity shall maintain, under their respective record retention policies, a record and copy of all documentation relating to an exemption from the provisions of this chapter.

SECTION 731. Arkansas Code § 6-24-107(b)(2)(A), concerning public school employees, is amended to read as follows:

(A)(i) If it appears that the total transactions with an employee for a fiscal year total, or will total, ten thousand dollars ($10,000) or more, the superintendent or other chief administrator of the public educational entity shall forward the written resolution along with all relevant data to the Commissioner of Elementary and Secondary Education for independent review and approval.

(ii) The written resolution and other relevant data shall be sent by certified mail, return receipt requested, or other method approved by the State Board of Education to assure that adequate notice has been received by the ~~Department of Education~~ Division of Elementary and Secondary Education and to provide a record for the school district board of directors sending the request for approval.

SECTION 732. Arkansas Code § 6-24-107(c), concerning public school employees, is amended to read as follows:

(c) Documentation. The ~~department~~ division and the public educational entity shall maintain, under their respective record retention policies, a record and copy of all documentation relating to transactions with employees.

SECTION 733. Arkansas Code § 6-24-114(a)(1), concerning administrative remedies applicable to administrators and employees, is amended to read as follows:

(a)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education may review alleged violations of this chapter. If the ~~Department~~ division reviews the allegations and the Commissioner of Elementary and Secondary Education determines that there is adequate evidence of a violation, the commissioner may refer the allegations to the State Board of Education for review.

SECTION 734. Arkansas Code § 6-41-101 is amended to read as follows:

6-41-101. Services to children with disabilities in nonpublic schools.

(a) Prior to expending any funding for new programs for children with disabilities that include funding for evaluation, counseling, assessment,

personnel, equipment, or other capital outlay in other than public schools, the ~~Department~~ Division of Career and Technical Education shall publish a public notice of the intent to provide additional special services to the disabled, specifying the services in the public notice, and inviting organizations that are recognized by the state to provide education, assessment, jobs skills training, or vocational education to children with disabilities to submit proposals to provide the additional special services.

(b) The ~~Department~~ division may award one (1) or more contracts to any organization that can fulfill the goals and objectives of the program, or the ~~Department~~ division may assume responsibility for implementing the program.

SECTION 735. Arkansas Code § 6-41-104(d), concerning services for children determined in another state to be eligible for services due to a behavioral disability, is amended to read as follows:

(d) The ~~Department of Education~~ Division of Elementary and Secondary Education shall have the authority to promulgate rules as necessary to carry out the provisions of this section.

SECTION 736. Arkansas Code § 6-41-203(3)(B), concerning the definition of "free appropriate public education" under the Children with Disabilities Act, is amended to read as follows:

(B) Meet the standards of the ~~Department of Education~~ Division of Elementary and Secondary Education and the Individuals with Disabilities Education Act, 20 U.S.C. § 1400 et seq., as it existed on January 1, 2017;

SECTION 737. Arkansas Code § 6-41-210 is amended to read as follows:

6-41-210. Special Education Section for children with disabilities.

(a) There is established in the ~~Department of Education~~ Division of Elementary and Secondary Education a Special Education Section.

(b) The section shall be headed by an associate director, who shall be qualified by education, training, and experience to take responsibility for, and give direction to, the programs of the ~~Department~~ division relating to children with disabilities.

(c) Implementation of this section shall be dependent upon funds being made available to the ~~Department~~ division for this purpose.

SECTION 738. Arkansas Code § 6-41-211(a)(1), concerning the creation of the Advisory Council for the Education of Children with Disabilities, is amended to read as follows:

(a)(1) There shall be an Advisory Council for the Education of Children with Disabilities, which shall advise and consult with the Commissioner of Elementary and Secondary Education and the Associate Director of the Special Education Section of the ~~Department of Education~~ Division of Elementary and Secondary Education and which shall engage in such other activities as are set forth in this section.

SECTION 739. Arkansas Code § 6-41-211(g), concerning the creation of the Advisory Council for the Education of Children with Disabilities, is amended to read as follows:

(g) The council shall:

(1) Advise the ~~Department of Education~~ Division of Elementary and Secondary Education of unmet needs within the state in the education of children with disabilities;

(2) Comment publicly on any rules or regulations proposed by the state regarding the education of children with disabilities;

(3) Advise the ~~department~~ division in developing evaluations and reporting on data to the United States Secretary of Education under 20 U.S.C. § 1418;

(4) Advise the ~~department~~ division in developing corrective action plans to address findings identified in federal monitoring reports under Title 20, Chapter 33, Subchapter II of the United States Code; and

(5) Advise the ~~department~~ division in developing and implementing policies relating to the coordination of services for children with disabilities.

SECTION 740. Arkansas Code § 6-41-216(c)(3), concerning test, evaluations, change of child's status, and hearings, is amended to read as follows:

(3)(A) The Special Education Section in the ~~Department of Education~~ Division of Elementary and Secondary Education shall establish standards and qualifications for individuals to serve as hearing officers.

(B) Neither an employee of the ~~Department of Education~~ Division of Elementary and Secondary Education nor an employee of the local school district involved in a particular hearing may serve as a hearing officer.

(C) Professional service contracts with individuals made for the purpose of compensating them for services rendered in connection with hearings shall not constitute employment.

SECTION 741. Arkansas Code § 6-41-312 is amended to read as follows:

6-41-312. Reports.

(a) Public school districts and entities receiving state or federal funds to provide special education programming shall keep an accurate account, in the manner and on the forms prescribed by the ~~Department of Education~~ Division of Elementary and Secondary Education, of all moneys expended for special education programs and shall report those expenditures to the ~~department~~ division.

(b) A report of the average daily attendance of all students enrolled, including students receiving instruction in the homebound setting, will be made to the ~~department~~ division.

SECTION 742. Arkansas Code § 6-41-402 is amended to read as follows:

6-41-402. Definitions.

As used in this subchapter:

(1) "Compliance citation" means a citation issued by the ~~Department of Education~~ Division of Elementary and Secondary Education that documents a school's failure to comply with state education laws;

(2) "~~Department~~ Division" means the ~~Department of Education~~ Division of Elementary and Secondary Education; and

(3) "Individualized education program" means the evaluation of the educational needs of a child with disabilities conducted pursuant to § 6-41-217.

SECTION 743. The introductory language of Arkansas Code § 6-41-403(a), concerning the assessment of student progress, is amended to read as follows:

(a) Each school district shall ensure that at least one (1) time per year a licensed teacher of the visually impaired, or other qualified person

as determined by the ~~Department of Education~~ Division of Elementary and Secondary Education, conducts an assessment of the educational progress of each visually impaired student enrolled in that school district identified as having or suspected of having a disability pursuant to the Children with Disabilities Act of 1973, § 6-41-201 et seq. The assessment shall:

SECTION 744. Arkansas Code § 6-41-403(a)(1), concerning the assessment of student progress, is amended to read as follows:

(1) Address the student's need for braille instruction, using procedures developed by the ~~department~~ division, and specify the learning medium most appropriate for the student's educational progress;

SECTION 745. Arkansas Code § 6-41-404 is amended to read as follows:

6-41-404. Braille instruction.

Each student who needs braille reading and writing instruction shall receive instruction from either a licensed teacher of the visually impaired or a person who is qualified in braille instruction as determined by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 746. Arkansas Code § 6-41-405(a), concerning electronic textbooks, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall have the authority to require publishers of textbooks to furnish electronic media for the text portion of those textbooks required by visually impaired students.

SECTION 747. Arkansas Code § 6-41-406 is amended to read as follows:

6-41-406. Compliance required.

Failure of a school district to come into compliance with the provisions of this subchapter shall be grounds for a compliance citation from the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 748. Arkansas Code § 6-41-407 is amended to read as follows:

6-41-407. Accommodation for students with sensory processing difficulty.

When administering a state-mandated assessment or a state-mandated

test, the ~~Department of Education~~ Division of Elementary and Secondary Education and each school district shall allow a student that has been evaluated through appropriate testing, including a comprehensive eye examination by an optometrist or an ophthalmologist, and identified as having difficulty with sensory processing in reaction to oversensitivity to full spectrum light to use color overlays specific to the student's oversensitivity that alter the contrast between the words and the page so that the student can visually comprehend the words on a page of a state-mandated assessment or a state-mandated test, if made available by the test developer.

SECTION 749. Arkansas Code § 6-41-602(5), concerning the definition of "dyslexia therapist" under the laws related to dyslexia and related disorders, is amended to read as follows:

(5) "Dyslexia therapist" means a professional who has completed training and obtained certification in dyslexia therapy from a dyslexia therapy training program defined by the ~~Department of Education~~ Division of Elementary and Secondary Education; and

SECTION 750. Arkansas Code § 6-41-603(a)(1), concerning required screening and intervention for kindergarten through second grade children, is amended to read as follows:

(a)(1) A school district shall screen each student in kindergarten through grade two (K-2) and others required by the ~~Department of Education~~ Division of Elementary and Secondary Education rule using the Dynamic Indicators of Basic Early Literacy Skills (DIBELS) or an equivalent screener.

SECTION 751. The introductory language of Arkansas Code § 6-41-603(b), concerning required screening and intervention for kindergarten through second grade children, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education shall adopt rules to ensure that students will be screened using DIBELS or an equivalent screener:

SECTION 752. Arkansas Code § 6-41-605(b), concerning instructional approaches regarding dyslexia, is amended to read as follows:

(b) Until there are a sufficient number of graduates from a dyslexia therapy program established at the university level in Arkansas or from a dyslexia therapy program established at the university level in another state that is approved by the ~~Department of Education~~ Division of Elementary and Secondary Education, the ~~Department~~ division shall allow dyslexia therapy to be provided by individuals who have received training and certification from a program approved by the ~~department~~ division.

SECTION 753. Arkansas Code § 6-41-607(a), concerning dyslexia specialists, is amended to read as follows:

(a) ~~No later than the 2015 fiscal year, the Department of Education~~ The Division of Elementary and Secondary Education shall employ at least one (1) dyslexia specialist with a minimum of three (3) years of field experience in screening, identifying, and treating dyslexia and related disorders to provide technical assistance for dyslexia and related disorders to school districts across the state.

SECTION 754. Arkansas Code § 6-41-607(c), concerning dyslexia specialists, is amended to read as follows:

(c) The ~~Department~~ division shall ensure that at least one (1) staff member at each education service cooperative is trained as a dyslexia specialist to provide necessary information and support to school districts.

SECTION 755. The introductory language of Arkansas Code § 6-41-608(a), concerning dyslexia professional awareness, is amended to read as follows:

(a) ~~No later than the 2014-2015 school year, the Department of Education~~ The Division of Elementary and Secondary Education shall ensure that each teacher receives professional awareness on:

SECTION 756. Arkansas Code § 6-41-608(b)(3), concerning dyslexia professional awareness, is amended to read as follows:

(3) At another venue approved by the ~~department~~ division.

SECTION 757. Arkansas Code § 6-41-609 is amended to read as follows:

6-41-609. Dyslexia and related disorder education in teacher preparation programs.

~~No later than the 2015-2016 school year, the Department of Education~~ TheDivision of Elementary and Secondary Education shall collaborate with the ~~Department~~ Division of Higher Education to ensure that all teacher education programs offered at state-supported institutions of higher education provide dyslexia professional awareness of the:

(1) Characteristics of dyslexia; and

(2) Evidence-based interventions and accommodations for dyslexia.

SECTION 758. Arkansas Code § 6-41-610 is amended to read as follows:

6-41-610. Rules — Dyslexia resource guide.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall adopt rules to implement this subchapter.

(b)(1) The ~~Department~~ Division of Elementary and Secondary Education shall maintain a committee for the purpose of developing and updating the Arkansas Dyslexia Resource Guide.

(2)(A) The committee shall include one (1) representative who has experience working in the field of dyslexia intervention from the following organizations, appointed by the Commissioner of Elementary and Secondary Education:

(i) The Arkansas Association of Educational Administrators;

(ii) The Division of Learning Services of the ~~Department of Education~~ Division of Elementary and Secondary Education;

(iii) The ~~Department~~ Division of Higher Education;

(iv) The Arkansas Education Association;

(v) The Arkansas School Boards Association;

(vi) The Arkansas School Psychology Association, with at least three (3) years of experience in testing for dyslexia; and

(vii) An education service cooperative administrator.

(B) Three (3) professionals who have worked in a public school who are knowledgeable in and have expertise in dyslexia screening and interventions.

SECTION 759. The introductory language of Arkansas Code § 6-41-611(b),

concerning the rules and enforcement under the laws governing dyslexia and related disorders, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education:

SECTION 760. Arkansas Code § 6-41-805(b)(1) and (2), concerning the responsibilities of a higher education institute that wishes to establish a Building Better Futures Program, are amended to read as follows:

(b)(1) The ~~Department~~ Division of Higher Education shall provide information statewide, including to each high school in the state, on the options for postsecondary education for students with intellectual disabilities.

(2) Each public high school in Arkansas shall provide the information distributed by the ~~Department~~ Division of Higher Education to the parent or guardian of a student with an intellectual or developmental disability enrolled in the public high school.

SECTION 761. Arkansas Code § 6-41-902(c), concerning student eligibility for a Succeed Scholarship, is amended to read as follows:

(c) The ~~Department of Education~~ Division of Elementary and Secondary Education shall approve a maximum of twenty (20) scholarships under this subchapter per academic year for students in foster care.

SECTION 762. Arkansas Code § 6-41-903(a)(1), concerning private school eligibility for the Succeed Scholarship Program, is amended to read as follows:

(a)(1) A private school shall notify the ~~Department of Education~~ Division of Elementary and Secondary Education of its intent to participate in the Succeed Scholarship Program.

SECTION 763. The introductory language of Arkansas Code § 6-41-903(b), concerning private school eligibility for the Succeed Scholarship Program, is amended to read as follows:

(b) The ~~Department~~ division shall approve a private school as eligible to participate in the program if the private school:

SECTION 764. Arkansas Code § 6-41-903(b)(2), concerning private school eligibility for the Succeed Scholarship Program, is amended to read as follows:

(2)(A) Demonstrates fiscal soundness by having been in operation for one (1) school year or providing the ~~Department~~ division with a statement by a certified public accountant confirming that the private school is insured and the private school has sufficient capital or credit to operate in the upcoming school year.

(B) In lieu of a statement, a surety bond or letter of credit for the amount equal to the scholarship funds for any quarter may be filed with the ~~department~~ division;

SECTION 765. The introductory language of Arkansas Code § 6-41-903(c), concerning private school eligibility for the Succeed Scholarship Program, is amended to read as follows:

(c) The ~~Department~~ division shall maintain a list of private schools eligible to participate in the program and make the list available on the ~~department's~~ division's website.

SECTION 766. Arkansas Code § 6-41-904(a)(1), concerning the responsibilities of Succeed Scholarship Program recipients, is amended to read as follows:

(1) Select the private school from the list of private schools eligible to participate in the program that is maintained by the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 767. Arkansas Code § 6-41-905(c) and (d), concerning the funding and scholarship payments of the Succeed Scholarship Program, is amended to read as follows:

(c) Scholarship payments shall be disbursed in equal amounts on a monthly basis by the ~~Department of Education~~ Division of Elementary and Secondary Education or another state agency, person, firm, or corporation designated by the ~~Department~~ division to administer and disburse funds.

(d) Beginning on July 1, 2015, the ~~Department~~ division shall prepare a budget, including cost estimates and projections so that a separate appropriation can be made for the program for the 2016-2017 school year.

SECTION 768. Arkansas Code § 6-42-103, concerning the creation of the Office for the Education of Gifted and Talented Children, is amended to read as follows:

6-42-103. Office for the Education of Gifted and Talented Children.

To implement the policy stated in § 6-42-101, there is established in the Division of Learning Services of the ~~Department of Education~~ Division of Elementary and Secondary Education an Office for the Education of Gifted and Talented Children to be headed by an administrator who shall be qualified by education, training, and experience to direct the state program for gifted and talented children.

SECTION 769. Arkansas Code § 6-42-104(a)(1), concerning the creation of the Advisory Council for the Education of Gifted and Talented Children, is amended to read as follows:

(a)(1) There is established an Advisory Council for the Education of Gifted and Talented Children, which shall advise and consult with the Commissioner of Elementary and Secondary Education and the Administrator of the Office for the Education of Gifted and Talented Children and which shall engage in other activities as set forth in this section.

SECTION 770. Arkansas Code § 6-42-104(f), concerning the creation of the Advisory Council for the Education of Gifted and Talented Children, is amended to read as follows:

(f) The ~~Department of Education~~ Division of Elementary and Secondary Education shall, within available personnel, facilities, and appropriations, furnish meeting facilities and staff services for the council.

SECTION 771. Arkansas Code § 6-42-104(h)(5), concerning the creation of the Advisory Council for the Education of Gifted and Talented Children, is amended to read as follows:

(5) Participate with the staff of the ~~Department~~ division in determining the need for educational programs to serve gifted and talented children to be operated by the ~~department~~ division, in selecting the sites for educational programs, in establishing student selection criteria for participation in the programs, in selecting students to participate in the

programs, and in selecting faculty and staff for the programs; and

SECTION 772. Arkansas Code § 6-42-104(h)(6)(B), concerning the creation of the Advisory Council for the Education of Gifted and Talented Children, is amended to read as follows:

(B) The programs so recognized shall be eligible to receive an award of not more than three thousand dollars ($3,000) from funds appropriated to the ~~Department~~ division for the purpose of making awards to outstanding educational programs.

SECTION 773. Arkansas Code § 6-42-106(a)(1) and (2), concerning the funding and eligibility of gifted and talented programs, is amended to read as follows:

(a)(1) Appropriations made by the General Assembly to the Public School Fund for the purposes of this subchapter shall be disbursed by the ~~Department of Education~~ Division of Elementary and Secondary Education in accordance with regulations promulgated by the State Board of Education.

(2) Such funds may be used to provide financial assistance to school districts operating programs for gifted and talented children and to fund supplemental programs for gifted and talented children operated by the ~~Department~~ division directly or through contract with other public or private agencies.

SECTION 774. Arkansas Code § 6-42-108 is amended to read as follows:

6-42-108. Summer residential and day programs.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education is authorized to establish annual summer residential and day programs to provide enriched educational offerings for junior high and high school students who have demonstrated exceptional abilities in a specific subject area.

(b) Each program shall offer instruction in subject areas to be designated annually by the ~~Department~~ division from the subject areas of science, mathematics, computer science, social studies, arts and music, literature and communication, and foreign languages.

(c) The summer educational programs established pursuant to the authority of this section shall be operated by the ~~Department~~ division

directly or by contract with other public or private agencies and shall be funded from the appropriation to the ~~Department~~ division for the operation of programs for the education of gifted and talented students.

SECTION 775. Arkansas Code § 6-42-109, concerning school district reports, is amended to read as follows:

6-42-109. Reports by school districts.

Each school district shall report annually to the ~~Department of Education~~ Division of Elementary and Secondary Education, at a prescribed due date, the extent to which it is providing educational opportunities specifically designed to meet the educational needs of gifted and talented children.

SECTION 776. Arkansas Code § 6-42-303(b)(3)(A), concerning the creation of the Board of Visitors for the Arkansas School for Mathematics, Sciences, and the Arts, is amended to read as follows:

(3)(A) In addition to appointed members of the Board of Visitors for the Arkansas School for Mathematics, Sciences, and the Arts, six (6) ex officio nonvoting members shall also serve on the Board of Visitors for the Arkansas School for Mathematics, Sciences, and the Arts as follows:

(i) The Commissioner of Elementary and Secondary Education;

(ii) The Director of the ~~Department~~ Division of Higher Education;

(iii) The ~~Executive~~ Director of the Arkansas Economic Development Commission or his or her designee;

(iv) The Director of the ~~Department~~ division of Arkansas Heritage;

(v) The president of the parent association of the school; and

(vi) The president of the student government of the school.

SECTION 777. Arkansas Code § 6-42-306 is amended to read as follows:

6-42-306. ~~Department of Education~~ Division of Elementary and Secondary Education regulations.

All ~~Department of Education~~ Division of Elementary and Secondary Education regulations shall apply to the Arkansas School for Mathematics, Sciences, and the Arts unless the ~~Department~~ division determines otherwise or unless the regulations conflict with governance of the school by the Board of Trustees of the University of Arkansas and the purposes and intent of this subchapter.

SECTION 778. Arkansas Code § 6-43-102(b)(2), concerning the powers and duties of the board of the Arkansas School for the Blind and the Arkansas School for the Deaf, is amended to read as follows:

(2) The board of trustees, in consultation with the Secretary of the Department of Education, shall fix the salaries of officers and employees not already fixed by law.

SECTION 779. Arkansas Code § 6-43-103(b), concerning superintendents of the Arkansas School for the Blind and the Arkansas School for the Deaf, is amended to read as follows:

(b) The Board of Trustees of the Arkansas School for the Blind and the Arkansas School for the Deaf, in consultation with the Secretary of the Department of Education, shall select the superintendents of the institutions committed to its care.

SECTION 780. Arkansas Code § 6-43-104 is amended to read as follows:

6-43-104. Employees generally.

(a) The superintendents shall have power to select and engage all employees of the schools at salaries fixed by the Board of Trustees of the Arkansas School for the Blind and the Arkansas School for the Deaf in consultation with the Secretary of the Department of Education, reporting the same for approval to the board at the next regular meeting thereof.

(b) The superintendents shall have the ~~sole~~ power to remove employees of the respective schools and may remove any employee at any time in their discretion for cause, but, in case of removal, the superintendent shall report the removal and the ground therefor to the board of trustees and the Secretary of the Department of Education.

SECTION 781. Arkansas Code § 6-43-305(b), concerning teachers for the

Arkansas School for the Deaf, is amended to read as follows:

(b) Teachers for the sensory impaired shall be eligible for an additional step increase after being certified in teaching the vision or hearing impaired by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 782. Arkansas Code § 6-43-308 is amended to read as follows:

6-43-308. Custodian of funds — Payment of bills, warrants, etc.

(a) The Treasurer of State, in consultation with the Secretary of the Department of Education, shall have the custody of all moneys, notes, securities, and other obligations belonging to the Arkansas School for the Deaf and shall be responsible for them under his or her bond and oath as the Treasurer of State.

(b) The Treasurer of State, in consultation with the secretary, shall pay all the expenses of the school out of the funds appropriated for the use of the school, upon warrants drawn by the Auditor of State in favor of the Board of Trustees of the Arkansas School for the Deaf, who shall issue his or her warrants upon orders signed by the President of the Board of Trustees of the Arkansas School for the Deaf and at least two (2) members of the board of trustees, except as herein otherwise provided.

SECTION 783. Arkansas Code § 6-45-103(1), concerning the definition of "appropriate early childhood program" under the Arkansas Better Chance Program Act, is amended to read as follows:

(1) "Appropriate early childhood program" means a developmentally appropriate program for young children, birth through five (5) years of age, approved by the ~~Department of Education~~ Division of Elementary and Secondary Education as complying with the regulatory guidelines of the early childhood state accreditation by the Department of Human Services and Arkansas Better Chance Core Quality Approval Standards of the ~~Department of Education~~ Division of Elementary and Secondary Education to be issued by the ~~Department of Education~~ Division of Elementary and Secondary Education pursuant to this chapter;

SECTION 784. Arkansas Code § 6-45-103(3), concerning the definition of "Arkansas Early Childhood Commission" under the Arkansas Better Chance

Program Act, is amended to read as follows:

(3) "Arkansas Early Childhood Commission" or "commission" means a twenty-five-member advisory body appointed by the Governor to perform certain duties and responsibilities relating to the development, expansion, and coordination of early childhood programs, including, but not limited to, serving as the advisory body to the ~~Department of Education~~ Division of Elementary and Secondary Education on early childhood program issues;

SECTION 785. Arkansas Code § 6-45-103(5), concerning the definition of "Department" under the Arkansas Better Chance Program Act, is amended to read as follows:

(5) "~~Department~~ Division" means the ~~Department of Education~~ Division of Elementary and Secondary Education or its authorized agents.

SECTION 786. Arkansas Code § 6-45-104(a)(2), concerning the construction of the laws governing the Arkansas Better Chance Program, is amended to read as follows:

(2) A local school is required to work with the ~~Department of Education~~ Division of Elementary and Secondary Education and its local community to establish, promote, and assist in the development of a program under the Arkansas Better Chance for School Success Program to serve all children in the school as provided in § 6-45-108, if:

(A) The school has had seventy-five percent (75%) or more students scoring below proficiency on the Elementary benchmark exams or other exams designated by the ~~Department~~ division in the preceding two (2) school years; or

(B) The school has been designated by the ~~department~~ division as being in school improvement status under § 6-15-425 [repealed] or is located in a school district in academic distress.

SECTION 787. Arkansas Code § 6-45-105 is amended to read as follows:

6-45-105. Establishment of Arkansas Better Chance Program.

(a)(1)(A) The ~~Department of Education~~ Division of Elementary and Secondary Education shall establish the Arkansas Better Chance Program to assist in the establishment and funding of the appropriate early childhood programs for children from birth through five (5) years of age.

(B) Within the Arkansas Better Chance Program there is established the Arkansas Better Chance for School Success Program for providing appropriate early care and education programs for children three (3) years of age and four (4) years of age as identified under § 6-45-108(a).

(2)(A) ~~Beginning with the 1991-1992 school year, the Department~~ The Division of Elementary and Secondary Education shall award grants or contracts to appropriate early childhood programs selected by the ~~Department~~ Division of Elementary and Secondary Education in accordance with specified programmatic standards.

(B)(i) These standards will be developed by the ~~department~~ Division of Elementary and Secondary Education, with the advice and assistance of the Arkansas Early Childhood Commission.

(ii) Standards for funding the Home Instruction for Parents of Preschool Youngsters will be developed in conjunction with the Arkansas HIPPY Advisory Board.

(C) The Home Instruction for Parents of Preschool Youngsters Regional Technical Assistance and Training Center shall be defined and funded as an integral part of the Home Instruction for Parents of Preschool Youngsters to provide necessary training, technical assistance, and program support to program sites in Arkansas.

(b) The programmatic standards and other rules and regulations necessary for the implementation of the Arkansas Better Chance Program shall be adopted by the State Board of Education in accordance with the provisions of the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(c)(1) The ~~Department~~ Division of Elementary and Secondary Education may expend a maximum of two percent (2%) of available funds to administer the Arkansas Better Chance Program and to monitor Arkansas Better Chance Program grantees to ensure compliance with programmatic standards.

(2) The ~~Department~~ Division of Elementary and Secondary Education may contract with the Division of Child Care and Early Childhood Education of the Department of Human Services to administer the Arkansas Better Chance Program.

SECTION 788. Arkansas Code § 6-45-106(a)(1)(A)(i), concerning the application process and allocation of funding for the Arkansas Better Chance Program, is amended to read as follows:

(a)(1)(A)(i) Any early childhood program accredited and quality-approved by the Department of Human Services according to standards approved by the ~~Department of Education~~ Division of Elementary and Secondary Education may apply for funding, regardless of the sponsorship of the program.

SECTION 789. Arkansas Code § 6-45-106(a)(2)(A)(i), concerning the application process and allocation of funding for the Arkansas Better Chance Program, is amended to read as follows:

(i) The school is in a district that has been designated by the ~~Department of Education~~ Division of Elementary and Secondary Education as being in academic distress; and

SECTION 790. Arkansas Code § 6-45-106(b), concerning the application process and allocation of funding for the Arkansas Better Chance Program, is amended to read as follows:

(b) In order to be considered, an application must contain all information required by the ~~Department of Education's~~ Division of Elementary and Secondary Education's regulatory guidelines.

SECTION 791. Arkansas Code § 6-45-106(c)(1), concerning the application process and allocation of funding for the Arkansas Better Chance Program, is amended to read as follows:

(c)(1) In allocating funding for the Arkansas Better Chance for School Success Program, priority consideration shall be given to:

(A) Schools that have seventy-five percent (75%) or more students scoring below proficiency on the Elementary benchmark exams or other exams designated by the ~~Department of Education~~ Division of Elementary and Secondary Education in the preceding two (2) school years; and

(B) Schools that have been designated by the ~~Department of Education~~ Division of Elementary and Secondary Education as being in school improvement status under § 6-15-425 [repealed] or are located in a school district in academic distress.

SECTION 792. Arkansas Code § 6-45-107 is amended to read as follows:

6-45-107. Publication of funding availability and program criteria.

The ~~Department of Education~~ Division of Elementary and Secondary

Education shall annually provide notification to school districts and to other appropriate providers of the availability of funds under the Arkansas Better Chance Program and shall include in such notification the programmatic standards and criteria for determination of eligibility for funding under the program.

SECTION 793. Arkansas Code § 6-45-108 is amended to read as follows:

6-45-108. Criteria for determining need.

(a)(1) All children three (3) years of age and four (4) years of age who are members of a family with a gross family income not exceeding two hundred percent (200%) of the federal poverty guidelines are eligible to attend an Arkansas Better Chance for School Success Program if there is a program available in the school district where the child resides and if there is available space for the child to attend the program.

(2) The ~~Department of Education~~ Division of Elementary and Secondary Education and the Division of Child Care and Early Childhood Education may develop a fee schedule and establish eligibility based on family income for children who are not eligible under subdivision (a)(1) of this section, but priority enrollment shall be allowed to children eligible under subdivision (a)(1) of this section.

(b) The ~~Department~~ Division of Elementary and Secondary Education and the ~~division~~ Division of Child Care and Early Childhood Education shall review various criteria for identifying and targeting the areas of the state with the greatest need for early childhood programs.

(c) The State Board of Education, with the advice and assistance of the ~~division~~ Division of Child Care and Early Childhood Education, shall adopt the appropriate criteria for identifying Arkansas children with the greatest need to participate in Arkansas Better Chance for School Success Program-funded early childhood programs.

SECTION 794. Arkansas Code § 6-45-109(b), concerning the certification by the Division of Child Care and Early Childhood Education regarding the Arkansas Better Chance Program, is amended to read as follows:

(b) Upon certification of the child care facilities, the ~~division~~ Division of Child Care and Early Childhood Education shall provide a listing of all certified facilities and their certification numbers to the ~~Director~~

Secretary of the Department of Finance and Administration for the purpose of the income tax credit or refund provided for in §§ 26-51-502 and 26-51-507.

SECTION 795. Arkansas Code § 6-45-110(a)(2)(B), concerning the assessment of children enrolled in the Arkansas Better Chance Program, is amended to read as follows:

(B) The ~~division~~ Division of Child Care and Early Childhood Education and the ~~Department of Education~~ Division of Elementary and Secondary Education shall work cooperatively to ensure that the assessments are conducted as required by this section.

SECTION 796. Arkansas Code § 6-46-101(c), concerning the creation of the Arkansas High Technology Training Center, is amended to read as follows:

(c) The center shall also offer courses to adults to enhance their competencies and capabilities in high-technology careers in coordination with the Adult Education Section of the ~~Department of Career Education~~ Department of Workforce Services .

SECTION 797. Arkansas Code § 6-46-202 is amended to read as follows:

6-46-202. Funding.

The Arkansas High Technology Training Center shall be funded by moneys appropriated by the General Assembly for the operation of the center and by such grants, contributions, or donations that may be received by the ~~Department~~ Division of Career and Technical Education for the support of the center.

SECTION 798. Arkansas Code § 6-46-302 is amended to read as follows:

6-46-302. Rules and regulations — Administration generally.

(a) The ~~Department~~ Division of Career and Technical Education shall supervise the Arkansas High Technology Training Center and is hereby authorized and empowered to promulgate rules and regulations that may be necessary to carry out the provisions of this chapter.

(b) The ~~Department~~ division shall develop a plan for the structure, operation, and funding of the center.

SECTION 799. Arkansas Code § 6-46-303 is amended to read as follows:

6-46-303. Budget.

(a) The ~~Department~~ Division of Career and Technical Education shall prepare the fiscal year budget request for the Arkansas High Technology Training Center's operation, which shall be submitted to the Career Education and Workforce Development Board for inclusion in the fiscal year budget request of the ~~Department~~ Division of Elementary and Secondary Education for funding programs from the ~~Department~~ Division of Career and Technical Education Fund Account.

(b) The ~~Department~~ Division of Elementary and Secondary Education is authorized and empowered to receive contributions, donations, gifts, bequests of money, other forms of financial assistance, and property, equipment, materials, or personnel, from persons, foundations, trust funds, corporations, organizations, and other sources, private or public, to be expended and utilized for the operation of the center.

SECTION 800. Arkansas Code § 6-46-304 is amended to read as follows:

6-46-304. Training contracts.

The ~~Department~~ Division of Career and Technical Education may contract with private or public business enterprises or other government agencies to perform customized high technology training for the benefit of those contracting parties.

SECTION 801. Arkansas Code § 6-46-401 is amended to read as follows:

6-46-401. Chief administrative officer.

(a) The Director of the ~~Department~~ Division of Career and Technical Education shall employ an administrator for the Arkansas High Technology Training Center, who shall serve at the pleasure of the director.

(b) The administrator shall be the chief administrative officer of the center and shall administer the center in accordance with the policies established by the ~~Department~~ Division of Career and Technical Education.

SECTION 802. Arkansas Code § 6-46-402 is amended to read as follows:

6-46-402. Other employees.

(a) The administrator and other personnel employed for the operation of the Arkansas High Technology Training Center shall be employees of the State of Arkansas, and the Department of Education.

(b) Faculty members and other personnel required for operation of the center shall be recommended for employment by the administrator and shall be employed by annual contract by the ~~Department~~ Division of Career and Technical Education.

(c) Teachers and administrators so employed shall be eligible for membership in the Arkansas Teacher Retirement System and earn credited service for such employment.

(d) Noneducational personnel employed by the ~~Department~~ division shall be eligible for membership in the Arkansas Public Employees' Retirement System and earn credited service for such employment.

SECTION 803. Arkansas Code § 6-46-501 is amended to read as follows:

6-46-501. Technical assistance.

The ~~Department~~ Division of Career and Technical Education, the ~~Department~~ Division of Higher Education, the Arkansas Economic Development Council, and the Arkansas Economic Development Commission shall provide technical assistance to the Arkansas High Technology Training Center.

SECTION 804. Arkansas Code § 6-46-502 is amended to read as follows:

6-46-502. Operation contracts.

The ~~Department~~ Division of Career and Technical Education shall also be authorized to contract with other agencies and private research centers as it may deem necessary to carry out its responsibilities for the operation of the Arkansas High Technology Training Center.

SECTION 805. Arkansas Code § 6-47-202 is amended to read as follows:

6-47-202. Administration in two-year colleges.

(a) The ~~Department~~ Division of Higher Education shall oversee and coordinate the implementation of distance learning in two-year colleges, four-year institutions of higher education, and universities in the state.

(b) The ~~Department~~ Division of Career and Technical Education shall cooperate with the ~~Department~~ Division of Higher Education in implementing the provisions of this section.

SECTION 806. Arkansas Code § 6-47-203 is amended to read as follows:

6-47-203. ~~Department of Education~~ Division of Elementary and Secondary

Education and ~~Department~~ Division of Higher Education — Cooperation, report, and implementation.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education shall work together to implement distance learning throughout the state.

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education shall present a report to the House Committee on Education and the Senate Committee on Education by December 31, 1999, reporting the status and progress of distance learning in Arkansas.

(c) The ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education shall not be required to implement the provisions of this subchapter if funds are not made available.

SECTION 807. Arkansas Code § 6-47-302 is amended to read as follows:

6-47-302. Implementation in elementary and secondary schools — Courses offered.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall plan for the statewide implementation of distance learning in elementary and secondary public schools in the state.

(b)(1) The elementary or secondary school may utilize courses from outside the state if the out-of-state course provider is approved by the ~~Department of Education~~ Division of Elementary and Secondary Education or the ~~Department~~ Division of Career and Technical Education before the school offers the courses through distance learning.

(2) A course offered through an approved out-of-state course provider under this subsection shall follow ~~Department of Education~~ Division of Elementary and Secondary Education course frameworks.

(c) The courses offered through distance learning may include college preparatory courses, advanced mathematics and science courses, and technological courses.

(d) The ~~Department of Education~~ Division of Elementary and Secondary Education shall work with the Arkansas School for Mathematics, Sciences, and the Arts, the Arkansas Educational Television Commission, the education service cooperatives, the Arkansas State Library, and other state agencies

involved in distance learning.

SECTION 808. Arkansas Code § 6-47-303 is amended to read as follows:

6-47-303. Coordination at institutions of higher education.

The ~~Department~~ Division of Higher Education shall coordinate the implementation of distance learning at the state's public institutions of higher education.

SECTION 809. Arkansas Code § 6-47-304 is amended to read as follows:

6-47-304. ~~Department~~ Division of Career and Technical Education to cooperate with ~~Department of Education~~ Division of Elementary and Secondary Education and ~~Department~~ Division of Higher Education.

The ~~Department~~ Division of Career and Technical Education shall cooperate with the ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education to implement distance learning throughout the state.

SECTION 810. Arkansas Code § 6-47-403(2) and (3), concerning the definitions of "commission" and "department" under the laws governing distance learning, are amended to read as follows:

(2) "Commissioner" means the Commissioner of Elementary and Secondary Education;

(3) "~~Department~~ Division" means the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 811. Arkansas Code § 6-47-404(a), concerning the creation and implementation of the Arkansas Distance Learning Development Program, is amended to read as follows:

(a) There is established the Arkansas Distance Learning Development Program, which shall be conducted by the ~~Department of Education~~ Division of Elementary and Secondary Education and administered through the Commissioner of Elementary and Secondary Education.

SECTION 812. Arkansas Code § 6-47-404(c)(3)(A), concerning the creation and implementation of the Arkansas Distance Learning Development Program, is amended to read as follows:

(3)(A) All donations, grants, and appropriations received shall be accounted for by the ~~department~~ division.

SECTION 813. Arkansas Code § 6-47-406(a)(3), concerning the public school district and the charter school distance learning program, is amended to read as follows:

(3) The public school or open-enrollment public charter school teaches or offers a distance learning course that has been approved by or otherwise complies with ~~Department of Education~~ Division of Elementary and Secondary Education rules and standards governing distance learning courses.

SECTION 814. Arkansas Code § 6-47-406(b), concerning the public school district and the charter school distance learning program, is amended to read as follows:

(b) The State Board of Education shall adopt rules to allow the Commissioner of Elementary and Secondary Education to waive the requirements under subdivisions (a)(1) and (2) of this section on an individual basis for a student who is unable to attend due to conditions that prevent the child from physically attending a public school or an open-enrollment public charter school.

SECTION 815. Arkansas Code § 6-47-406(f), concerning the public school district and the charter school distance learning program, is amended to read as follows:

(f)(1) Before a public school district or open-enrollment public charter school offers or teaches to public school students, home-schooled students, or private school students distance learning courses that are not part of the curriculum required by the Standards for Accreditation of Arkansas Public Schools and School Districts established by the state board, the open-enrollment public school district or public charter school first shall obtain approval of the distance learning courses by the ~~department~~ division.

(2) A course offered under this subsection shall follow ~~Department~~ division course frameworks.

SECTION 816. Arkansas Code § 6-47-502 is amended to read as follows:

6-47-502. Distance learning grants.

(a)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall develop grant standards and provide grants to education service cooperatives for acquiring equipment and receiving telecommunications services necessary for each school district to have distance learning availability.

(2) The grants shall be used to assist school districts that do not have distance learning capabilities and to assist school districts in upgrading existing distance learning capabilities.

(3) The grants shall also be used by the education service cooperatives to provide technical assistance to the school districts in implementing and maintaining distance learning as an educational tool.

(b)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall:

(A) Establish, by rule, standards for eligible equipment and telecommunications services; and

(B) Oversee the efficient operation and use of the system pursuant to law.

(2) Each school district shall have adequate connectivity to provide quality of service for distance learning.

(3) The distance learning technical protocol or protocols shall be in alignment with technical standards set by the Director of the ~~Department~~ Division of Information Systems.

(c) Education service cooperatives and school districts shall coordinate with the ~~Department~~ Division of Elementary and Secondary Education to seek to obtain the benefits of the Federal Communications Commission's E-rate program.

SECTION 817. Arkansas Code § 6-48-101 is amended to read as follows:

6-48-101. Definitions.

As used in this chapter:

(1)(A)(i) "Alternative learning environment" means an alternate class or program within a public school or school district that affords all students an environment that seeks to eliminate barriers to learning for any student whose academic and social progress is negatively affected by the student's personal characteristics or situation.

(ii) The ~~Department of Education~~ Division of Elementary and Secondary Education shall by rule more fully define the student's personal characteristics and situations applicable under this chapter.

(B) An alternative learning environment is not a punitive environment but one that is conducive to learning.

(C) An alternative learning environment is not a separate school for the purposes of this title even if the ~~Department of Education~~ Division of Elementary and Secondary Education assigns the alternative learning environment a separate local education agency number; and

(2) "Intervention services" means activities within or outside a school that will eliminate traditional barriers to learning.

SECTION 818. Arkansas Code § 6-48-102(a)(1), concerning the requirement for alternative learning environments and reporting, is amended to read as follows:

(a)(1) A school district shall provide one (1) or more alternative learning environments for all students who meet the minimum criteria established by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 819. Arkansas Code § 6-48-102(b), concerning the requirement for alternative learning environments and reporting, is amended to read as follows:

(b) Annually, a school district shall submit to the ~~department~~ division:

(1) Information on race and gender of the students educated in the alternative learning environment;

(2) Any other information regarding students educated in alternative learning environments that the ~~Department~~ division requires by rule; and

(3) An assurance statement that the school district is in compliance with this chapter.

SECTION 820. Arkansas Code § 6-48-104 is amended to read as follows:

6-48-104. ~~Department of Education~~ Division of Elementary and Secondary

Education responsibilities.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall promulgate rules to implement this chapter, including without limitation rules that establish:

(1)(A) The criteria for distributing state funding for alternative learning environment programs.

(B) The criteria shall identify the characteristics of students who may be counted for the purpose of funding an alternative learning environment program including without limitation that a student is educated in the alternative learning environment for a minimum of twenty (20) consecutive days.

(C) If a student is educated in the alternative learning environment for fewer than twenty (20) days, the ~~Department~~ division may provide funding to a school district based on the actual number of days the student is educated in the alternative learning environment if the student:

(i) Leaves the school district to transfer to another alternative learning environment; or

(ii) Is placed in a residential treatment program;

(2)(A) The criteria for teacher training for teachers in alternative learning environments, including without limitation:

(i) In-service training in classroom management; and

(ii) Training in additional areas related to the specific needs and characteristics of students who are educated in alternative learning environments.

(B) The ~~Department~~ division shall award professional development credit for the training under this subdivision (a)(2); and

(3) Measures of effectiveness for alternative learning environments that measure:

(A) For the students educated in the alternative learning environment the effect on the students':

(i) School performance;

(ii) Need for intervention; and

(iii) School attendance and dropout rate; and

(B) Any other characteristic of alternative learning environments deemed necessary by the ~~department~~ division.

(b)(1) As part of the ~~department's~~ division's accreditation review of

a school district under § 6-15-202, the ~~Department~~ division shall evaluate each alternative learning environment to ensure that the alternative learning environment is:

(A) Established and operated in compliance with this chapter; and

(B) Effective under the measurements established by the ~~Department~~ division under this section.

(2) The ~~Department~~ division shall identify a school district's noncompliance with this chapter on the school district's annual report card.

(c) The ~~Department~~ division shall identify information concerning best practices for educating students in alternative learning environments and disseminate that information to teachers and administrators working in alternative learning environments.

(d) Annually by September 15, the ~~Department~~ division shall provide to the House Committee on Education and the Senate Committee on Education a report on:

(1) The information reported to it under § 6-48-102; and

(2) The effectiveness of alternative learning environments evaluated under this chapter.

SECTION 821. Arkansas Code § 6-50-101 is amended to read as follows:

6-50-101. Contracts with private organizations.

The Director of the ~~Department~~ Division of Career and Technical Education is hereby authorized to enter into contracts with private organizations licensed by the State Board of ~~Career~~ Education in order to provide vocational-technical training to citizens of the State of Arkansas.

SECTION 822. Arkansas Code § 6-50-103(a)(1), concerning participation in vocational student organizations, is amended to read as follows:

(a)(1) The ~~Department~~ Division of Career and Technical Education may reimburse secondary vocational centers and other public schools in Arkansas for dues, membership fees, supplies, travel, lodging, and other expenses related to a student's participation in vocational student organizations.

SECTION 823. Arkansas Code § 6-50-201(a), concerning the creation of the Arkansas Technical Careers Student Loan Forgiveness Program, is amended

to read as follows:

(a) There is hereby established a program to be known as the Arkansas Technical Careers Student Loan Forgiveness Program, to be administered by the State Board of ~~Career~~ Education through the ~~Department~~ Division of Career and Technical Education.

SECTION 824. The introductory language of Arkansas Code § 6-50-203, concerning the administration of the Arkansas Technical Careers Student Loan Forgiveness Program, is amended to read as follows:

The State Board of ~~Career~~ Education through the ~~Department~~ Division of Career and Technical Education shall administer the Arkansas Technical Careers Student Loan Forgiveness Program and shall have the following authority with respect to the program:

SECTION 825. Arkansas Code § 6-50-204 is amended to read as follows:

6-50-204. Institutional eligibility.

The institution to be attended under the loan forgiveness program must be approved by the ~~Career Education and Workforce Development Board~~ State Board of Education, the Arkansas Higher Education Coordinating Board, or the ~~Department~~ Division of Higher Education to offer training in the technical field chosen by the applicant.

SECTION 826. Arkansas Code § 6-50-205(a), concerning the approval and priorities of educational programs for the Arkansas Technical Careers Student Loan Forgiveness Program, is amended to read as follows:

(a) The State Board of ~~Career~~ Education shall consider comments and suggestions from the ~~Department~~ Division of Higher Education, the Arkansas Higher Education Coordinating Board, the Arkansas Economic Development Council, the ~~Department~~ Division of Workforce Services, the Arkansas State Chamber of Commerce, and other appropriate entities annually to develop and publish a list of technical education programs that are approved for this program.

SECTION 827. Arkansas Code § 6-50-207(c), concerning the amount of loan forgiveness, is amended to read as follows:

(c) With input from the ~~Department~~ Division of Higher Education and

other appropriate entities, the State Board of ~~Career~~ Education shall establish through rules and regulations loan forgiveness amounts for approved technical education programs for students enrolled on a less than full-time basis.

SECTION 828. Arkansas Code § 6-50-503(a), concerning the establishment of a youth apprenticeship/work-based learning program, is amended to read as follows:

(a) The ~~Department~~ Division of Career and Technical Education is hereby authorized and directed to develop and implement a youth apprenticeship/work-based learning program to provide additional educational and training opportunities for noncollege-bound Arkansas high school students.

SECTION 829. Arkansas Code § 6-50-504(a), concerning demonstration youth apprenticeship programs, is amended to read as follows:

(a) The ~~Department~~ Division of Career and Technical Education shall implement during the 1991-1993 biennium at least five (5) demonstration youth apprenticeship programs.

SECTION 830. Arkansas Code § 6-50-702(6), concerning the definition of "governing council" under the Arkansas Existing Workforce Training Act of 1995, is amended to read as follows:

(6) “Governing council” means the directors of the Arkansas Economic Development Commission, the ~~Department~~ Division of Higher Education, and the ~~Department~~ Division of Career and Technical Education or their designees;

SECTION 831. Arkansas Code § 6-50-703(a), concerning the creation and purpose of the Arkansas Existing Workforce Training Program, is amended to read as follows:

(a) There is hereby created the Arkansas Existing Workforce Training Program, to be administered by a governing council composed of equal representation from the ~~Department~~ Division of Higher Education, the ~~Department~~ Division of Career and Technical Education, and the Arkansas Economic Development Commission.

SECTION 832. Arkansas Code § 6-51-205(b), concerning the Career Education and Workforce Development Board's responsibility for school operation, personnel, and equipment, is amended to read as follows:

(b) The ~~state~~ board is authorized to employ personnel to set salaries which shall be comparable to those received by other similarly positioned personnel in the ~~Department of Education~~ Division of Elementary and Secondary Education, and to negotiate leases or purchases with any and all agencies of the government of the United States for the lease or purchase of suitable facilities, equipment, machinery, and supplies to be used for the purposes authorized by this section and §§ 6-51-201 — 6-51-203, 6-51-207, 6-51-208(a)-(c), 6-51-209, and 6-51-210.

SECTION 833. Arkansas Code § 6-51-208(d), concerning student fees, is amended to read as follows:

(d) No secondary student or school shall be made to pay a tuition charge as a condition of his or her enrollment in any vocational program funded by the ~~Department of Education~~ Division of Elementary and Secondary Education while enrolled in a regular high school program.

SECTION 834. Arkansas Code § 6-51-213(c)(1), concerning the administration of certain federal and state vocational education laws, is amended to read as follows:

(c)(1) The Director of the ~~Department~~ Division of Career and Technical Education, as executive officer of the board for the purpose of administering the federal act and this act, shall, by and with the advice and consent of the board, designate assistants as may be necessary to carry out properly the provisions hereof.

SECTION 835. Arkansas Code § 6-51-401(b), concerning the course of instruction for vocational-technical training, is amended to read as follows:

(b) A prescribed course of study will be set up by the ~~Department~~ Division of Career and Technical Education in conjunction with the Plumbing and Natural Gas Section of the Department of Health and the local training committee.

SECTION 836. Arkansas Code § 6-51-501(c)(1), concerning the creation of state-supported technical institutes offering courses in building trades, is amended to read as follows:

(c)(1) As used in this subchapter, "secondary area technical center" means a secondary area vocational center established under § 6-13-801 et seq. or as defined by the ~~Department~~ Division of Career and Technical Education.

SECTION 837. Arkansas Code § 6-51-502(b), concerning the approval, notification, requirements, and advance of funds for state-supported technical institutes or secondary area technical centers, is amended to read as follows:

(b) Upon receipt of written approval, the technical institute or secondary area technical center shall notify the ~~Department~~ Division of Career and Technical Education of its intent to undertake the construction of a single family dwelling unit or other building project under the program established in this subchapter.

SECTION 838. Arkansas Code § 6-51-503 is amended to read as follows:

6-51-503. Procedure for purchase of lot.

When a technical institute is advanced funds from the Building Trades Revolving Fund by the ~~Department~~ Division of Career and Technical Education as provided in this subchapter, the technical institute shall, if it proposes to purchase a lot on which to build the dwelling unit or other building project, cause notice of the proposed purchase to be published in a newspaper of general circulation in the area where it proposes to purchase the lot in order to give persons in the area an opportunity to offer lots for sale to the school for the construction of the dwelling unit or other building project.

SECTION 839. Arkansas Code § 6-51-504(a), concerning dwelling unit construction, restrictions, and exemptions, is amended to read as follows:

(a) The ~~Department~~ Division of Career and Technical Education shall not advance funds to a technical institute from the Building Trades Revolving Fund created in this subchapter for the construction of more than one (1) dwelling unit or other building project at any one (1) time or more than one (1) dwelling unit or other building project in any twelve-month period.

SECTION 840. Arkansas Code § 6-51-508(a), concerning the remittance of proceeds, is amended to read as follows:

(a) All funds derived from reimbursement by a state agency or from the sale of a dwelling unit or other building project constructed under the provisions of this subchapter by a technical institute after deducting the cost of the sale shall be remitted to the ~~Department~~ Division of Career and Technical Education for deposit in the Building Trades Revolving Fund created in this subchapter.

(b) Upon the sale of a dwelling unit or other building project constructed under the provisions of this subchapter by a secondary area technical center:

(1)(A) The secondary area technical center shall remit to the ~~department~~ division the full amount of funds advanced for the project.

(B) The ~~department~~ division shall deposit the funds into the Building Trades Revolving Fund created in this subchapter; and

(2) The remaining proceeds, if any, shall be retained or any loss absorbed by the secondary area technical center.

SECTION 841. Arkansas Code § 6-51-509, concerning the uses for the Building Trades Revolving Fund, is amended to read as follows:

6-51-509. Uses for Building Trades Revolving Fund.

All funds appropriated for the program established in this subchapter together with funds derived from the sale of property and remitted to the ~~Department~~ Division of Career and Technical Education and deposited in the Building Trades Revolving Fund shall be used exclusively for the purpose of making advances to area vocational schools for the purchase of lots, building materials, supplies, and fixtures necessary to construct dwellings or other building projects on the lots and to otherwise carry out the purposes of this subchapter.

SECTION 842. Arkansas Code § 6-51-510 is amended to read as follows:

6-51-510. Disbursing officer.

The disbursing officer for the ~~Department~~ Division of Career and Technical Education shall be disbursing officer for funds in the Building Trades Revolving Fund.

SECTION 843. Arkansas Code § 6-51-604 is amended to read as follows:

6-51-604. Notice of possible violations — Responses — Injunctions.

(a) In consultation with the State Board of Private Career Education or its director acting for the board, if the ~~Department~~ Division of Higher Education has probable cause to believe that a person, agent, group, or entity has committed any acts that would be in violation of this subchapter such as fraud, misrepresentation, or unethical practices, the ~~department~~ division shall first give notice in writing by certified mail or in person to the agency or entity affected.

(b) The person, agent, or entity will have ten (10) days in which to respond to the notice of violation, unless the ~~department~~ division deems an emergency exists, in which case the entity will have up to twenty-four (24) hours in which to respond.

(c)(1) If action on the part of the person, agent, or entity in response to a notice is to seek to eliminate the violation, a further extension of time may be granted by the ~~department~~ division.

(2) Otherwise, the ~~department~~ division may order a cease and desist of such acts after a formal hearing, or the ~~department~~ division shall have the duty to request the Attorney General or district prosecuting attorney in the county where the offense was committed to seek in a court of competent jurisdiction an injunction restraining the commission of such acts.

SECTION 844. Arkansas Code § 6-51-605 is amended to read as follows:

6-51-605. State Board of Private Career Education.

(a)(1)(A) The Governor shall appoint a State Board of Private Career Education of seven (7) members who shall serve for terms of seven (7) years.

(B) The Governor shall make appointments or reappointments to the board to provide membership of three (3) persons associated with schools and four (4) persons from the general public.

(2) The Director of the ~~Department~~ Division of Higher Education and the Director of the ~~Department~~ Division of Career and Technical Education or their designees shall serve as nonvoting, ex officio members of the board.

(b) The board may elect the necessary officers, acting by and through the Director of the ~~Department~~ Division of Higher Education. In consultation with the board, the ~~Department~~ Division of Higher Education shall have the

sole authority to:

(1) Approve all schools offering programs of study leading to or enhancing an occupational objective;

(2) Administer and enforce this subchapter; and

(3) Issue licenses to schools that have met the standards set forth for the purposes of this subchapter by the ~~Department~~ Division of Higher Education, including without limitation programs of study, adequate facilities, financial stability, qualified personnel, and legitimate operating practices.

(c) Upon approval by the ~~Department~~ Division of Higher Education, any such school may issue certificates or diplomas.

(d) The ~~Department~~ Division of Higher Education shall:

(1) Formulate the criteria and the standards evolved for the approval of such licensed schools;

(2) Provide for adequate investigation of all schools applying for a license;

(3) Issue licenses to those applicants meeting the standards fixed by the ~~Department~~ Division of Higher Education; and

(4) Maintain a list of schools approved under the provisions of this subchapter.

(e) The ~~Department~~ Division of Higher Education shall formulate the standards evolved under this subchapter for the approval of admissions representatives of such licensed schools and issue licenses to those applicants meeting the standards fixed by the ~~Department~~ Division of Higher Education.

(f) In consultation with the board, the ~~Department~~ Division of Higher Education shall promulgate standards and rules to be prescribed for the administration of this subchapter and the management and operation of the schools and admissions representatives, subject to the provisions of this subchapter.

(g) The ~~Department~~ Division of Higher Education shall participate in the hearings provided to schools and admissions representatives in cases of revocation or denial of licensure.

(h) Official meetings of the board may be called by the chair as necessary, but meetings shall be held at least four (4) times a year.

(i) A majority of favorable votes by the board members at an official

meeting is required for adoption of a recommendation.

(j) Board members may be reimbursed for expenses in accordance with § 25-16-901 and stipends according to § 25-16-903.

(k) The board may adopt and use a seal, which may be used for the authentication of the recommendations of the board.

(l) The board shall employ a director who reports to the board.

(m)(1) The ~~Department~~ Division of Higher Education shall annually require background investigations for all partners or shareholders with ten percent (10%) or more ownership interest in a school when the school seeks an original license.

(2) The ~~Department~~ Division of Higher Education may establish a schedule for periodic background checks for partners or shareholders with ten percent (10%) or more ownership interest in a school when seeking renewal of a school license.

(n)(1) The partners or shareholders shall apply to the Identification Bureau of the ~~Department~~ Division of Arkansas State Police for a state and national criminal background check to be conducted by the Federal Bureau of Investigation.

(2) The check shall conform to the applicable federal standards and shall include the taking of fingerprints.

(3) The applicant shall sign a release of information to the board and shall be responsible to the ~~Department~~ Division of Arkansas State Police for the payment of any fee associated with the criminal background check.

(4) Upon completion of the criminal background check, the Identification Bureau of the ~~Department~~ Division of Arkansas State Police shall forward to the ~~Department~~ Division of Higher Education all information obtained concerning the person in the commission of any offense listed in § 6-51-606(h)(3).

(5)(A) The ~~Department~~ Division of Higher Education may issue a nonrenewable temporary license pending the results of the criminal background check.

(B) The license shall be valid for no more than six (6) months.

(C) Upon receipt of information from the Identification Bureau of the ~~Department~~ Division of Arkansas State Police that only one (1)

of the partners or shareholders of the school holding the license has been convicted of any offense listed in § 6-51-606(h)(3), the ~~Department~~ Division of Higher Education shall revoke the license.

(o)(1) The provisions of § 6-51-606(h) may be waived by the ~~Department~~ Division of Higher Education upon the request of:

(A) An affected applicant for licensure; or

(B) The partners or shareholders of a school holding a license subject to revocation.

(2) Circumstances for which a waiver may be granted shall include, but not be limited to, the following:

(A) The age at which the crime was committed;

(B) The circumstances surrounding the crime;

(C) The length of time since the crime;

(D) Subsequent work history;

(E) Employment references;

(F) Character references; and

(G) Other evidence demonstrating that the applicant does not pose a threat.

(p)(1) Any information received by the ~~Department~~ Division of Higher Education from the Identification Bureau of the ~~Department~~ Division of Arkansas State Police under this section shall not be available for examination except by:

(A) The affected applicant for licensure or his or her authorized representative; or

(B) The person whose license is subject to revocation or his or her authorized representative.

(2) No record, file, or document shall be removed from the custody of the ~~Department~~ Division of Arkansas State Police.

(q) Any information made available to the affected applicant for licensure or the person whose license is subject to revocation shall be information pertaining to that person only.

(r) Rights of privilege and confidentiality established in this section shall not extend to any document created for purposes other than the background check required by this section.

(s) In consultation with the board, the ~~Department~~ Division of Higher Education shall adopt the necessary rules to fully implement the provisions

of this section.

SECTION 845. Arkansas Code § 6-51-606(a), concerning school licenses, is amended to read as follows:

(a) No persons shall operate, conduct, maintain, or offer to operate in this state a school as defined in this subchapter, or solicit the enrollment of students residing in the state, unless a license is first secured from the ~~Department~~ Division of Higher Education issued in accordance with the provisions of this subchapter and the rules promulgated by the ~~department~~ division in consultation with the State Board of Private Career Education.

SECTION 846. Arkansas Code § 6-51-606(b)(1), concerning school licenses, is amended to read as follows:

(b)(1) Application for a license shall be filed in the manner and upon the forms prescribed and furnished by the ~~department~~ division for that purpose.

SECTION 847. Arkansas Code § 6-51-606(d), concerning school licenses, is amended to read as follows:

(d) The license shall remain the property of the State of Arkansas and shall be returned to the ~~department~~ division upon cause.

SECTION 848. Arkansas Code § 6-51-606(e)(1), concerning school licenses, is amended to read as follows:

(e)(1) If the ~~department~~ division, after evaluating the school as to kind and type, is unable to make a determination regarding initial approval of a licensure application within sixty (60) days of receipt of the application and required documentation, it shall issue a temporary license valid for a period of not more than six (6) months, pending an investigation.

SECTION 849. Arkansas Code § 6-51-606(f), concerning school licenses, is amended to read as follows:

(f) After a license is issued to any school by the ~~department~~ division on the basis of its application, it shall be the responsibility of the school to notify immediately the ~~department~~ division of any changes in the

ownership, administration, location, faculty, or programs of study on the forms and in the manner prescribed by the ~~department~~ division.

SECTION 850. Arkansas Code § 6-51-606(h)-(l), concerning school licenses, is amended to read as follows:

(h) The ~~department~~ division shall have the power to deny issuing a new or renewal license, to revoke an existing license, or to place a licensee on probation, if in its discretion it determines that:

(1) The licensee has violated any of the provisions of this subchapter or any of the rules of the ~~department~~ division;

(2) The applicant or licensee has knowingly presented to the ~~department~~ division incomplete or misleading information relating to licensure;

(3) The applicant or licensee has pleaded guilty, entered a plea of nolo contendere, or has been found guilty in a criminal proceeding, regardless of whether or not the adjudication of guilt or sentence is withheld, deferred, or suspended by a court of this state, another state, or the federal government, of:

(A) Any felony; or

(B) Any act involving moral turpitude, gross immorality, or which is related to the qualifications, functions, and duties of a licensee;

(4) The applicant or licensee has intentionally failed or refused to permit the ~~department~~ division or its representatives to inspect the school or classes or has intentionally failed or refused to make available to the ~~department~~ division, at any time when requested to do so, full information pertaining to any or all items of information contained in an application for license or pertaining to the operation of the school;

(5) The applicant has failed or refused to submit to the ~~department~~ division an application for license or renewal in the manner and on the forms prescribed;

(6) A licensed admissions representative has failed or refused to display or produce his or her license when requested to do so by prospective students or designated officials of the ~~department~~ division;

(7) The applicant or licensee has failed to provide or maintain premises, equipment, materials, supplies, or conditions in accordance with

minimum standards as established by rules;

(8) The licensee has been found by the ~~department~~ division or a court of law to have perpetrated fraud or deceit in advertising of the school or programs of study or in presenting to prospective students information relating to the school, programs of study, employment opportunities, or opportunities for enrollment in institutions of higher education;

(9) The licensee has in its employ admissions representatives who have not been licensed but are actively engaged in the practice of attempting to enroll students;

(10) The licensee has failed to provide and maintain standards of instruction or qualified administrative, supervisory, or instructional staff as established by rules;

(11) The applicant or licensee is unable to provide and maintain financial resources in sufficient amount to equip and maintain the school or classes;

(12) The licensee has moved the school into new premises or facilities without first notifying the ~~department~~ division;

(13) The licensee has offered training or instruction in programs of study which have not been approved and authorized in accordance with rules;

(14) A licensed admissions representative has solicited prospective students to enroll in a school which has not been licensed by the ~~department~~ division or which is not listed on his or her license;

(15) There was a change in the ownership of the school without proper notification to and approval from the ~~department~~ division;

(16) The licensee has failed to notify the ~~department~~ division or to provide written documentation as to the cause that the license of a school has been suspended or revoked or the school has been placed on probation or a show cause issued in another state or by another regulatory agency;

(17) The licensee has failed to notify the ~~department~~ division of legal actions initiated by or against the school; or

(18) The licensee fails to make tuition refunds to the students or their lenders in compliance with current rules.

(i) The ~~department~~ division shall have the power to revoke a license if in its discretion it determines that:

(1) The licensee has failed to cure a deficiency leading to a license probation within the time as may be reasonably prescribed by the ~~department~~ division;

(2) The licensee while on probation has been found by the ~~department~~ division to have incurred an additional infraction of this subchapter; or

(3) The licensee has closed a school without first having completed the training of all students currently enrolled or having made tuition refunds to students or their lenders.

(j) The ~~department~~ division may impose sanctions under § 25-15-217.

(k)(1) Unless directed to do so by court order, the ~~department~~ division shall not, for a period of five (5) years following revocation, reinstate the license of a school or allow an owner of any such school to seek licensure of another school.

(2) Upon expiration of licensure status, the school must apply for an original license in accordance with the provisions of this subchapter.

(l)(1) Upon closure of a school located in Arkansas and licensed under any provision of this subchapter, whether for license revocation or any other cause, all student financial aid records for the previous three (3) years and all student transcripts regardless of age must be delivered to the ~~department~~ division.

(2) Delivered records shall be arranged in alphabetical order and stored in boxes or in data format at the discretion of the ~~department~~ division.

(3) The ~~department~~ division shall be responsible for the proper security, storage, and maintenance of all such records.

SECTION 851. Arkansas Code § 6-51-607(a)(1) and (2), concerning the Private Career School Student Protection Trust Fund, is amended to read as follows:

(a)(1) Each school licensed under this subchapter shall pay annually a fee to be set by the ~~Department~~ Division of Higher Education in consultation with the State Board of Private Career Education.

(2) The fee shall be set at the amount the ~~department~~ division deems necessary to establish the Private Career School Student Protection Trust Fund and to maintain the ~~Private Career School Student Protection Trust~~

~~Fund~~ fund as necessary.

(3) For a renewing school, the fee shall be based on the enrollment of Arkansas residents in the preceding twelve (12) months of July 1 through June 30.

(4)(A) For an original license, the fee shall be a percentage as determined by the ~~department~~ division of the sum of the tuitions for each program offered.

(B) Additionally, during the first twelve (12) months of licensure, the same percentage shall be paid to the Private Career School Student Protection Trust Fund on additional new programs of study.

SECTION 852. Arkansas Code § 6-51-607(c)(2)(A), concerning the Private Career School Student Protection Trust Fund, is amended to read as follows:

(2)(A) However, regardless of the balance in the ~~Private Career School Student Protection Trust Fund~~ fund, a fee, as set by the ~~department~~ division, will be assessed newly licensed schools.

SECTION 853. Arkansas Code § 6-51-607(d)(1), concerning the Private Career School Student Protection Trust Fund, is amended to read as follows:

(d)(1) The assets of the ~~Private Career School Student Protection Trust Fund~~ fund may be invested and reinvested as the ~~department~~ division may determine.

SECTION 854. The introductory language of Arkansas Code § 6-51-607(e), concerning the Private Career School Student Protection Trust Fund, is amended to read as follows:

(e) The ~~department~~ division may use any amounts in the ~~Private Career School Student Protection Trust Fund~~ fund, including accumulated interest, to:

SECTION 855. The introductory language of Arkansas Code § 6-51-607(f), concerning the Private Career School Student Protection Trust Fund, is amended to read as follows:

(f) Any amounts in the ~~Private Career School Student Protection Trust Fund~~ fund above the required five hundred thousand dollars ($500,000) may be used with the approval of the Director of the ~~Department~~ Division of Higher

Education to:

SECTION 856. Arkansas Code § 6-51-607(g)(1) and (2), concerning the Private Career School Student Protection Trust Fund, are amended to read as follows:

(g)(1) If a school closes, the ~~department~~ division shall attempt to place each student of the school in another school.

(2) If the student cannot be placed in another school, the student's tuition for which education has not been received may be refunded on a prorated basis in the manner prescribed by the ~~department~~ division.

SECTION 857. Arkansas Code § 6-51-608(a)(1), concerning extension course sites, satellite schools, and additional school licenses, is amended to read as follows:

(a)(1) Any school licensed under this subchapter shall make application to the ~~Department~~ Division of Higher Education to offer a course or courses at an extension course site or satellite school.

SECTION 858. Arkansas Code § 6-51-608(b), concerning extension course sites, satellite schools, and additional school licenses, is amended to read as follows:

(b) The school will be assessed a fee as set by the ~~department~~ division to be deposited in the Private Career School Student Protection Trust Fund.

SECTION 859. Arkansas Code § 6-51-609(a), concerning an admissions representative's license, is amended to read as follows:

(a) A person representing a resident, distance education, or combination school shall not solicit or sell in Arkansas any program of study for consideration or remuneration unless the admissions representative first secures a license from the ~~Department~~ Division of Higher Education.

SECTION 860. Arkansas Code § 6-51-609(c)(2), concerning an admissions representative's license, is amended to read as follows:

(2)(A) The license shall be endorsed by the Director of the ~~Department~~ Division of Higher Education.

(B) The license shall remain the property of the State of Arkansas and shall be returned to the ~~Department~~ Division of Higher Education upon cause.

SECTION 861. Arkansas Code § 6-51-609(d)(6), concerning an admissions representative's license, is amended to read as follows:

(6) Be in compliance with any other reasonable qualifications that the ~~Department~~ Division of Higher Education may fix by rule.

SECTION 862. Arkansas Code § 6-51-609(e)(1), concerning an admissions representative's license, is amended to read as follows:

(e)(1) An applicant for an admissions representative's license shall apply to the Identification Bureau of the ~~Department~~ Division of Arkansas State Police for a state and national criminal background check to be conducted by the Federal Bureau of Investigation.

SECTION 863. Arkansas Code § 6-51-609(e)(3), concerning an admissions representative's license, is amended to read as follows:

(3) The applicant shall sign a release of information to the ~~Department~~ Division of Higher Education and shall be responsible to the ~~Department~~ Division of Arkansas State Police for the payment of any fee associated with the criminal background check.

SECTION 864. Arkansas Code § 6-51-609(f)(1)(A), concerning an admissions representative's license, is amended to read as follows:

(f)(1)(A) The ~~Department~~ Division of Higher Education may issue a nonrenewable temporary license pending the results of the criminal background check.

SECTION 865. Arkansas Code § 6-51-609(f)(2), concerning an admissions representative's license, is amended to read as follows:

(2) Upon receipt of information from the Identification Bureau of the ~~Department~~ Division of Arkansas State Police that the person holding the temporary license has been convicted of a felony, Class A misdemeanor, or a crime involving an act of violence for which a pardon has not been granted, the ~~Department~~ Division of Higher Education shall immediately revoke the

temporary license.

SECTION 866. The introductory language of Arkansas Code § 6-51-609(g)(1), concerning an admissions representative's license, is amended to read as follows:

(g)(1) The provisions of subdivision (d)(3) of this section may be waived by the ~~Department~~ Division of Higher Education upon the request of:

SECTION 867. The introductory language of Arkansas Code § 6-51-609(h)(1), concerning an admissions representative's license, is amended to read as follows:

(h)(1) Any information received by the ~~Department~~ Division of Higher Education from the Identification Bureau of the ~~Department~~ Division of Arkansas State Police under this section shall not be available for examination except by:

SECTION 868. Arkansas Code § 6-51-609(h)(2), concerning an admissions representative's license, is amended to read as follows:

(2) A record, file, or document shall not be removed from the custody of the ~~Department~~ Division of Arkansas State Police.

SECTION 869. Arkansas Code § 6-51-609(k), concerning an admissions representative's license, is amended to read as follows:

(k) In consultation with the State Board of Private Career Education, the ~~Department~~ Division of Higher Education shall adopt the necessary rules to fully implement the provisions of this section.

SECTION 870. Arkansas Code § 6-51-610(a), concerning fees for schools and admission representatives, is amended to read as follows:

(a) In consultation with the State Board of Private Career Education, the ~~Department~~ Division of Higher Education shall set fees for schools and admissions representatives.

SECTION 871. Arkansas Code § 6-51-611(b), concerning school license renewal, is amended to read as follows:

(b) The licensing period shall be determined by the ~~Department~~

Division of Higher Education.

SECTION 872. Arkansas Code § 6-51-611(c)(1), concerning license renewal, is amended to read as follows:

(c)(1) Application for renewal of a school license is to be provided in the form and manner prescribed by the ~~department~~ division.

SECTION 873. Arkansas Code § 6-51-611(d), concerning license renewal, is amended to read as follows:

(d) An application for renewal of an admissions representative's license shall be made on the forms and in the manner prescribed by the ~~department~~ division.

SECTION 874. Arkansas Code § 6-51-614(a), concerning denial, probation, revocation, and review of school licenses, is amended to read as follows:

(a) The ~~Department~~ Division of Higher Education shall have the authority to refuse to issue a school license, to place on probation, or to revoke a school license theretofore issued.

SECTION 875. Arkansas Code § 6-51-615(b), concerning denial, suspension, review, and penalties regarding admissions representative's licenses, is amended to read as follows:

(b) The Director of the ~~Department~~ Division of Higher Education, upon receipt of information considered dependable which indicates fraud, misrepresentation, or unethical practices on the part of an applicant, may deny issuance of a license applied for or may suspend immediately a license already issued pending a review by the ~~Department~~ Division of Higher Education.

SECTION 876. Arkansas Code § 6-51-617(b)(1), concerning the Private Career Education Arbitration Panel, is amended to read as follows:

(b)(1) In consultation with the State Board of Private Career Education, the Director of the ~~Department~~ Division of Higher Education shall appoint the arbitration panel, which shall be composed of three (3) members. One (1) member shall be from the school sector, and two (2) members shall be

from the general public.

SECTION 877. Arkansas Code § 6-51-618 is amended to read as follows:

6-51-618. Fines.

(a) When the ~~Department~~ Division of Higher Education finds that a school is guilty of a violation of this subchapter or the rules of the ~~department~~ division, it shall have the power and authority to impose a penalty on the school.

(b) Prior to the imposition of any penalty, the ~~department~~ division shall hold an investigation and hearing after notice to the school.

(c)(1) Upon imposition of a penalty, the ~~department~~ division shall have the power and authority to require that the school pay a penalty to the ~~department~~ division with regard to the violation, with the sanction that the license may be suspended until the penalty is paid.

(2) No penalty imposed by the ~~department~~ division may exceed five hundred dollars ($500) per violation.

(d) Any school dissatisfied with the penalties imposed may seek judicial review, provided the school files notice of appeal in Pulaski County Circuit Court within fifteen (15) calendar days immediately following the date of notification of this action by the Director of the ~~Department~~ Division of Higher Education.

(e) The power and authority of the ~~department~~ division to impose these penalties shall not be affected by any other civil or criminal proceeding concerning the same violation.

SECTION 878. Arkansas Code § 6-51-619 is amended to read as follows:

6-51-619. Subpoenas and subpoenas duces tecum.

(a) The ~~Department~~ Division of Higher Education shall have the power to issue subpoenas and subpoenas duces tecum in connection with both its investigations and hearings.

(b) A subpoena duces tecum may require any book, writing, document, or other paper or thing which is germane to an investigation or hearing conducted by the ~~department~~ division.

(c)(1) Service of a subpoena shall be as provided by law for the service of subpoenas in civil cases in the circuit courts of this state, and the fees and mileage of officers serving the subpoenas and of witnesses

appearing in answer to the subpoenas shall be the same as provided by law for proceedings in civil cases in the circuit courts of this state.

(2)(A) The ~~department~~ division shall issue a subpoena or subpoena duces tecum upon the request of any party to a hearing before the ~~department~~ division.

(B) The fees and mileage of the officers serving the subpoena and of the witness shall be paid by the party at whose request a witness is subpoenaed.

(d)(1) In the event a person shall have been served with a subpoena or subpoena duces tecum as provided in this section and fails to comply therewith, the ~~department~~ division may apply to the circuit court of the county in which the ~~department~~ division is conducting its investigation or hearing for an order causing the arrest of the person and directing that the person be brought before the court.

(2) The court shall have the power to punish the disobedient person for contempt as provided by law in the trial of civil cases in the circuit courts of this state.

SECTION 879. Arkansas Code § 6-51-620(a)(2), concerning the requirement of a school to maintain a surety bond while licensed, is amended to read as follows:

(2) The surety bond shall be submitted to the ~~Department~~ Division of Higher Education on or before the expiration date of the bond.

SECTION 880. Arkansas Code § 6-51-620(a)(4)(A)(i), concerning the requirement of a school to maintain a surety bond while licensed, is amended to read as follows:

(i) A violation of a provision of this subchapter or any rule of the ~~department~~ division by the school or its officers, admissions representatives, or employees;

SECTION 881. Arkansas Code § 6-51-620(a)(4)(C)(ii), concerning the requirement of a school to maintain a surety bond while licensed, is amended to read as follows:

(ii) The ~~department~~ division shall notify the school in writing at least ten (10) days prior to release of the surety or sureties

that the license is suspended until another surety bond is filed in the manner and amount required under this ~~chapter~~ subchapter.

SECTION 882. Arkansas Code § 6-51-620(a)(5)(A), concerning the requirement of a school to maintain a surety bond while licensed, is amended to read as follows:

(5)(A) The bond shall be based on gross tuition, meaning the total amount collected by a school during the most recently completed twelve-month fiscal year, reduced only by the amount of refunds paid during the fiscal year, for tuition, application fees, registration fees, and those other fees deemed appropriate by rule of the ~~department~~ division;

SECTION 883. The introductory language of Arkansas Code § 6-51-620(a)(6), concerning the requirement of a school to maintain a surety bond while licensed, is amended to read as follows:

(6) The ~~department~~ division shall determine the sum of each surety bond based upon the following guidelines:

SECTION 884. The introductory language of Arkansas Code § 6-51-620(a)(6)(A), concerning the requirement of a school to maintain a surety bond while licensed, is amended to read as follows:

(A) Except as provided in subdivisions (a)(6)(B) and (C) of this section, a school shall procure and maintain a bond equal to ten percent (10%) of the gross tuition with a minimum bond amount of five thousand dollars ($5,000) with the maximum bond amount to be determined by the ~~department~~ division;

SECTION 885. The introductory language of Arkansas Code § 6-51-620(b), concerning the requirement of a school to maintain a surety bond while licensed, is amended to read as follows:

(b) A surety bond is not required for licensees approved by the ~~department~~ division on April 10, 1995, that maintain continuous licensure.

SECTION 886. Arkansas Code § 6-51-622(d), concerning noncommercial driver training instruction, is amended to read as follows:

(d)(1) In consultation with the State Board of Private Career

Education, the ~~Department~~ Division of Higher Education may promulgate reasonable rules to implement, enforce, and administer this section.

(2) The rules of the ~~department~~ division shall be issued in accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

SECTION 887. Arkansas Code § 6-51-623 is amended to read as follows:

6-51-623. Defensive driving instruction.

A person shall not be required to obtain a license from the ~~Department~~ Division of Higher Education as a requirement for teaching or providing a course in defensive driving under a court-mandated defensive driving class.

SECTION 888. Arkansas Code § 6-51-701(a), concerning the establishment of an Associate of Applied Science Degree in Nursing Program, is amended to read as follows:

(a) The ~~Department of Career Education~~ Division of Higher Education is hereby authorized to establish for the technical institutes or vocational-technical schools of this state an Associate of Applied Science Degree in Nursing Program.

SECTION 889. Arkansas Code § 6-51-701(b)(1), concerning the establishment of an Associate of Applied Science Degree in Nursing Program, is amended to read as follows:

(b)(1) A nursing program shall be established by the ~~department~~ division. The nursing program shall be in accordance with the standards established by the Arkansas State Board of Nursing.

SECTION 890. Arkansas Code § 6-51-902(a), concerning accountability measures and performance indicators, is amended to read as follows:

(a)(1) All postsecondary vocational-technical schools, technical institutes, and comprehensive lifelong learning centers within the State of Arkansas shall present to the ~~State Board of Career Education~~ Higher Education Coordinating Board and the ~~Department of Career Education~~ Division of Higher Education a report reflecting a satisfactory level of performance-based system of accountability measures and performance indicators as defined in this section.

(2) The report shall be filed with the ~~State Board of Career Education~~ Higher Education Coordinating Board and the ~~Department~~ division annually.

SECTION 891. Arkansas Code § 6-52-201(8), concerning apprenticeship training programs and the definition of "vo-tech", is repealed.

~~(8) "Vo-Tech" means the Department of Career Education.~~

SECTION 892. Arkansas Code § 6-53-206 is amended to read as follows:

6-53-206. Equipment pool.

The ~~Department~~ Division of Higher Education, in coordination with the institutions, shall develop an effective means of pooling surplus equipment for redistribution to other institutions. Such equipment pool arrangement may include the crediting of equipment values to the institution for equipment acquired from a source other than the state.

SECTION 893. Arkansas Code § 6-53-301(f)(2), concerning the Arkansas Technical and Community College System, is amended to read as follows:

(2) All records, personnel, property, unexpended balances of appropriations, allocations, or other funds of the technical college shall be transferred to the ~~Department~~ Division of Higher Education.

SECTION 894. Arkansas Code § 6-53-302(i), concerning the local administration of technical colleges, is amended to read as follows:

(i) The local board may contract with the ~~Department~~ Division of Career and Technical Education, with a nonprofit organization, or with a local school board within its service area to offer secondary level general academic and vocational and technical courses and programs or adult literacy courses, or both.

SECTION 895. Arkansas Code § 6-53-306 is amended to read as follows:

6-53-306. Coordination with secondary vocational-technical education and literacy programs.

Upon the approval of the Arkansas Higher Education Coordinating Board, the local board may contract with the ~~Department~~ Division of Career and

Technical Education, a nonprofit organization, or a local school district board of directors within its service area to offer secondary-level vocational and technical courses and programs, adult literacy courses, and industry training.

SECTION 896. Arkansas Code § 6-53-402(g)(2), concerning the conversion of two-year branches into technical colleges, is amended to read as follows:

(2) All records, personnel, property, unexpended balances of appropriations, allocations, or other funds of the technical college shall be transferred to the ~~Department~~ Division of Higher Education.

SECTION 897. Arkansas Code § 6-53-403(j)(2), concerning the conversion of technical colleges and two-year branches into community colleges, is amended to read as follows:

(2) All records, personnel, property, unexpended balances of appropriations, allocations, or other funds of the community college shall be transferred to the ~~Department~~ Division of Higher Education.

SECTION 898. Arkansas Code § 6-53-404(h)(2), concerning technical colleges and acceptance as branch campus of community college, is amended to read as follows:

(2) All records, personnel, property, unexpended balances of appropriations, allocations, or other funds of the satellite campus shall be transferred to the ~~Department~~ Division of Higher Education.

SECTION 899. Arkansas Code § 6-54-105, concerning accreditation and abolishment of technical colleges, is amended to read as follows:

6-54-105. Accreditation — Abolishment.

If the technical college fails to achieve such accreditation within eight (8) years following the date of transfer under § 6-54-104(d), the technical college shall be abolished by the Arkansas Higher Education Coordinating Board. All records, personnel, property, unexpended balances of appropriations, allocations, or other funds of the technical college shall be transferred to the ~~Department~~ Division of Higher Education.

SECTION 900. Arkansas Code § 6-58-112 is amended to read as follows:

6-58-112. Conversion of positions and maximum salaries for Quapaw Technical Institute.

The maximum salaries as authorized for the positions in the appropriations act for Quapaw Technical Institute shall be converted to the maximum salaries for the equivalent or similar positions as authorized in the appropriations act for ~~Garland County Community College~~ National Park College. The conversion of the maximum salaries shall be approved by the ~~Department~~ Division of Higher Education for line item salaries or by the Department of Finance and Administration for classified salaries and be reported to the Legislative Council.

SECTION 901. Arkansas Code § 6-59-101(1), concerning the definition of "adult education program" under Arkansas Northeastern College, is amended to read as follows:

(1) "Adult education program" means any classes designed to assist students in preparing for a high school equivalency test and any class designed to improve performance in general basic skills, parenting, English proficiency, or other areas funded by the Adult Education Section of the Department of ~~Career Education~~ Workforce Services; and

SECTION 902. Arkansas Code § 6-60-105(a)(1), concerning employment and earning outcomes and reporting by the Department of Workforce Services, is amended to read as follows:

(a)(1) Annually, beginning June 30, 2016, the ~~Department~~ Division of Workforce Services shall prepare or contract with an entity to prepare an economic security report of employment and earning outcomes for degrees and certificates earned at state-supported institutions of higher education.

SECTION 903. Arkansas Code § 6-60-105(a)(3)(B), concerning employment and earning outcomes and reporting by the Department of Workforce Services, is amended to read as follows:

(B) Use data available to the ~~Department~~ Division of Higher Education relating to the employment and earnings of graduates of degree or certificate programs from a state-supported institution of higher education;

SECTION 904. Arkansas Code § 6-60-105(b), concerning employment and earning outcomes and reporting by the Department of Workforce Services, is amended to read as follows:

(b) Annually, beginning July 1, 2016, a four-year state-supported institution of higher education and a two-year state-supported institution of higher education shall provide an enrolled student with electronic access to the economic security report of employment and earnings outcomes prepared by the ~~Department~~ Division of Workforce Services before the student registers for classes.

SECTION 905. Arkansas Code § 6-60-105(d), concerning employment and earning outcomes and reporting by the Department of Workforce Services, is amended to read as follows:

(d) Annually, beginning August 1, 2016, a public school student in grade seven through grade twelve (7-12) or the student's parent or guardian shall receive a two-page summary of and electronic access to the ~~Department~~ Division of Workforce Service's economic security report of employment and earnings outcomes prepared under this section.

SECTION 906. Arkansas Code § 6-60-107 is amended to read as follows:

6-60-107. Workforce initiative funding.

(a)(1) The ~~Department~~ Division of Higher Education shall act as the disbursing entity for all funds for the Workforce Initiative Act of 2015.

(2) The ~~Department~~ Division of Higher Education shall establish procedures for the request for proposals under subdivision (b)(2) of this section that shall:

(A) Be approved by the Governor;

(B) Include input from the ~~Department of Education~~ Division of Elementary and Secondary Education, the ~~Department~~ Division of Workforce Services, the Arkansas Economic Development Commission, and the ~~Department~~ Division of Career and Technical Education; and

(C) Be reported to the Legislative Council.

(3) The ~~Department~~ Division of Higher Education shall establish a grant application review and award process under this section that shall:

(A) Be approved by the Governor; and

(B) Include recommendations from the ~~Department of~~

~~Education~~ Division of Elementary and Secondary Education, the ~~Department~~ Division of Workforce Services, the Arkansas Economic Development Commission, and the ~~Department~~ Division of Career and Technical Education.

(b)(1) The ~~Department~~ Division of Higher Education shall set funding priorities in three (3) phases.

(2)(A)(i) Phase one shall seek requests for proposals from alliances consisting of technical institutes, community colleges, universities, the kindergarten through grade twelve (K-12) education system, educational cooperatives, or employers, with input from local workforce investment boards, to receive planning grants of up to one hundred thousand dollars ($100,000).

(ii)(a) The local workforce investment boards shall identify the industry sectors for each of their ten (10) areas.

(b) The identification process shall include a comprehensive data analysis of employer skill requirements in each sector in each region.

(c) The identified industry sectors and employment skills shall serve as the basis for an application to a request for proposal from the ~~Department~~ Division of Higher Education.

(B) A request for proposal shall include an education and employer alignment plan that includes state-approved, employer-driven career pathways that are supported by a secondary center that awards concurrent credit courses that can be applied to a certificate of proficiency, technical certificate, Associate of Applied Science degree, or Bachelor of Applied Science degree or a similarly designed bachelor's degree.

(C) Recognizing the limited state resources, the priority for planning grants shall be given to the applicants that best enhance regional efforts, including collaboration between community colleges, universities, public schools, education service cooperatives, the local workforce investment boards, career and technical education programs, multidistrict vocational centers, and private partnerships with clearly defined and measurable performance and effectiveness objectives.

(3)(A) Phase two shall provide implementation grants in an amount necessary to provide the resources to implement approved projects concluded and approved by the ~~Department~~ Division of Higher Education from phase one.

(B) Implementation grants shall include clearly defined outcome measures and last for up to two (2) years.

(4)(A) Phase three shall provide continuation grants for phase two recipients that meet or exceed the outcome measures.

(B) Continuation grants shall be used to align the performance and relevance of programs to ever changing workforce training needs.

SECTION 907. Arkansas Code § 6-60-203 is amended to read as follows:

6-60-203. Off-campus enrollments.

In order to provide needed off-campus services to Arkansas citizens who do not happen to reside in the location of the main campus of a college or university, the ~~Department~~ Division of Higher Education is instructed to count and otherwise treat off-campus class enrollments consistent with the enrollments for those same classes on the main campus of the institution.

SECTION 908. Arkansas Code § 6-60-204(b), concerning the waiver of general student fee charges for senior citizens, is amended to read as follows:

(b) Fees will be waived only for courses organized to grant credit and recognized by the ~~Department~~ Division of Higher Education for credit.

SECTION 909. Arkansas Code § 6-60-208(d)(1), concerning the requirements for academic clemency, is amended to read as follows:

(d)(1) Conditional admissions standards for nontraditional students shall be based on the student's score on the American College Test composite or its equivalent as defined by the ~~Department~~ Division of Higher Education, which shall issue guidelines to assist two-year and four-year institutions of higher education in developing conditional admissions standards.

SECTION 910. Arkansas Code § 6-60-214(h), concerning tuition benefits for soldiers and airmen of the Arkansas National Guard, is amended to read as follows:

(h)(1) The Adjutant General, in coordination with the ~~Department~~ Division of Higher Education, shall promulgate rules for the implementation of this section, including without limitation rules for the eligibility of

soldiers and airmen.

(2) The ~~State Military~~ Department of the Military and the ~~Department~~ Division of Higher Education shall meet regularly to monitor and measure the success of this section, including without limitation to assess graduation rates of the soldiers and airmen under this section.

SECTION 911. Arkansas Code § 6-60-303(c) and (d), concerning the Higher Education Tuition Adjustment Fund, are amended to read as follows:

(c) Tracking and Reporting.

(1) Furthermore, the ~~Department~~ Division of Higher Education will require each institution to track and report the number of qualifying students each year.

(2)(A) A list of students who benefit from the out-of-state tuition waiver, including their social security numbers or their Arkansas taxpaying parents' or guardians' names and social security numbers, will be furnished by the ~~Department~~ Division of Higher Education to the Department of Finance and Administration for confirmation that they or their parents are employed in Arkansas at a wage in excess of five thousand five hundred dollars ($5,500) per annum.

(B) Documentation should be either an official W-2 form from an Arkansas employer reflecting wages of at least five thousand five hundred dollars ($5,500) in the tax year prior to enrollment in college or official employer verification of a current year salary minimum of at least five thousand five hundred dollars ($5,500), which the college will keep on file for enrollment audit purposes.

(d) Appropriation Transfer Procedures.

(1) The Director of the ~~Department~~ Division of Higher Education shall determine the difference between the amount of tuition revenue which would have been generated by charging the Arkansas Higher Education Coordinating Board-approved out-of-state tuition rate to the students as compared to the approved in-state or out-of-district rate.

(2) Upon the determination, the director shall certify to the Chief Fiscal Officer of the State and the Treasurer of State those amounts that are required to be transferred from the ~~fund~~ Higher Education Tuition Adjustment Fund.

(3) Upon receiving the certification, the Chief Fiscal Officer

of the State and the Treasurer of State shall cause to be transferred the necessary funds and appropriation to the fund account of the institution receiving certification from the director.

(4) In order to provide funding for the appropriation set out in the line item entitled Tuition Adjustment in the biennial operations appropriation act for the ~~Department~~ Division of Higher Education, the Chief Fiscal Officer of the State shall transfer to the Higher Education Tuition Adjustment Fund from the Higher Education Grants Fund Account three hundred fifty thousand dollars ($350,000) for each year of the biennium.

SECTION 912. Arkansas Code § 6-60-703(a), concerning the Comprehensive Arkansas Higher Education Annual Report, is amended to read as follows:

(a)(1) The Comprehensive Arkansas Higher Education Annual Report shall be submitted by the ~~Department~~ Division of Higher Education to the House Committee on Education and the Senate Committee on Education, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Governor no later than December 15, 2011, and each year thereafter.

(2) The Comprehensive Arkansas Higher Education Annual Report shall be posted on the ~~department~~ division website for public inspection no later than January 1, 2012, and each year thereafter.

SECTION 913. Arkansas Code § 6-60-703(d)(2), concerning the Comprehensive Arkansas Higher Education Annual Report, is amended to read as follows:

(2) Include a fiscal impact on administrative costs to the ~~department~~ division.

SECTION 914. Arkansas Code § 6-60-704 is amended to read as follows:

6-60-704. Information submitted to the ~~Department~~ Division of Higher Education for inclusion in the report.

(a) All higher education reports submitted to the General Assembly or other governmental bodies by individual colleges and universities, agencies, boards, or commissions shall be submitted directly to the ~~Department~~ Division of Higher Education no later than November 1, 2011, and each year thereafter for inclusion in the Comprehensive Arkansas Higher Education Annual Report.

(b) If an institution of higher education fails to submit the required

reports to the ~~Department~~ division by November 15, the institutions shall appear before the House Committee on Education and the Senate Committee on Education to explain why they failed to meet the submission deadline.

(c) Financial information provided by an institution of higher education is subject to review by ~~the Division of~~ Arkansas Legislative Audit, and any adjustments made to previously submitted financial information during the course of a financial audit may be revised based upon recommendations made by ~~the division~~ Arkansas Legislative Audit.

SECTION 915. Arkansas Code § 6-60-705 is amended to read as follows:

6-60-705. Limitations.

(a) This subchapter does not limit the authority of the General Assembly to request additional interim reports and supplemental information from the ~~Department~~ Division of Higher Education, colleges and universities, or other entities as needed.

(b) The Comprehensive Arkansas Higher Education Annual Report shall take priority for the ~~department~~ division staff over a report requested under subsection (a) of this section.

SECTION 916. Arkansas Code § 6-60-806(b), concerning the rules, promulgation, and authority of the Arkansas Higher Education Coordinating Board, is amended to read as follows:

(b)(1) The ~~Department~~ Division of Higher Education may enforce compliance with this subchapter and any rules promulgated under this subchapter by the board.

(2) Under the rules of the board, the ~~department~~ division may enter upon and inspect a campus at any reasonable time and in a reasonable manner.

SECTION 917. Arkansas Code § 6-60-901(1), concerning the definition of "Arkansas Higher Education Information System" under the laws governing the Arkansas Higher Education Information System, is amended to read as follows:

(1) "Arkansas Higher Education Information System" means the database maintained by the ~~Department~~ Division of Higher Education containing student data files that the ~~department~~ division and institutions of higher education in Arkansas are required to collect under §§ 6-85-214, 6-85-216,

and 6-85-217, other state law, and federal law; and

SECTION 918. Arkansas Code § 6-60-902 is amended to read as follows:

6-60-902. Arkansas Higher Education Information System.

(a) The ~~Department~~ Division of Higher Education shall develop and maintain the Arkansas Higher Education Information System.

(b)(1) By December 31, 2011, the ~~Department~~ Division of Higher Education shall provide the Bureau of Legislative Research with direct read-and-report-only access to the data warehouse of the system concerning student academic data, financial aid data, and related records.

(2)(A) In providing the bureau with the direct read-and-report-only access required under subdivision (b)(1) of this section, the ~~Department~~ Division of Higher Education shall take reasonable precautions, including electronic blocking or redacting, to prevent the disclosure of:

(i) Personally identifiable information of a student, unless the parent or guardian of a minor student or a student who is no longer a minor consents in writing to the disclosure of personally identifiable information about that student; or

(ii) Information that would cause the ~~Department~~ Division of Higher Education to lose funding under 20 U.S.C. § 1232g, as it existed on January 1, 2011.

(B) The ~~Department~~ Division of Higher Education shall:

(i) Work with the ~~Department of Education~~ Division of Elementary and Secondary Education to develop the method of redaction to be used with the system based on the standards used by the ~~Department of Education~~ Division of Elementary and Secondary Education; and

(ii) Disclose to the bureau and to the Legislative Council the method of electronic blocking or redaction the ~~Department~~ Division of Higher Education will use under this subsection.

(3)(A) The ~~Department~~ Division of Higher Education shall make its staff reasonably accessible for consultation with bureau staff in developing and responding appropriately to bureau requests under this section.

(B)(i) The bureau staff shall inform the ~~Department~~ Division of Higher Education of any warehouse data used in the preparation of reports and provide the ~~Department~~ Division of Higher Education at least one

(1) working day to review any student-related warehouse data used in preparation of reports before publicly releasing that student-related data without personally identifiable information of a student.

(ii) This subdivision (b)(3)(B) does not waive the confidentiality of a request of a member of the General Assembly under § 10-2-129.

(c) The ~~Department~~ Division of Higher Education shall provide other information and records requested by the bureau as soon as possible and in whatever reasonable form requested.

(d) To the extent possible, the ~~Department~~ Division of Higher Education, in cooperation with the ~~Department of Education~~ Division of Elementary and Secondary Education, shall maintain the system in a manner that ultimately will be compatible with implementing a P-20W student data system for the state.

SECTION 919. Arkansas Code § 6-60-903(a)(2), concerning compliance by institutions of higher education regarding providing required data, is amended to read as follows:

(2) Published from time to time by the ~~department~~ Division of Higher Education.

SECTION 920. The introductory language of Arkansas Code § 6-60-903(b), concerning compliance by institutions of higher education regarding providing required data, is amended to read as follows:

(b) Within two (2) weeks of an institution of higher education's failure to comply with the requirements for submission of data published by the ~~department~~ division, the ~~department~~ division shall report to the Legislative Council:

SECTION 921. Arkansas Code § 6-61-105(b), concerning the requirement of a course in American history or civil government, is amended to read as follows:

(b) The ~~Department~~ Division of Higher Education shall see to the strict carrying out of this section and may take such steps and measures as may be necessary to effectuate its provisions.

SECTION 922. Arkansas Code § 6-61-112(f)(2), concerning a student or student's spouse being called into military service, is amended to read as follows:

(2) The ~~Department~~ Division of Higher Education shall adopt the necessary rules to ensure that state-supported scholarship, grant, and loan programs comply with the provisions of this section.

SECTION 923. Arkansas Code § 6-61-112(g), concerning a student or student's spouse being called into military service, is amended to read as follows:

(g)(1) For each fiscal year, each state-supported institution of higher education in the state shall report the type and amount of compensatory options provided under this section to the ~~department~~ division.

(2) The ~~department~~ division shall report to the House Committee on Aging, Children and Youth, Legislative and Military Affairs and the Senate Interim Committee on Children and Youth regarding the type and amount of compensatory options provided under this section by each state-supported institution of higher education no later than October 1 of each year beginning in 2006 and each year thereafter.

SECTION 924. The introductory language of Arkansas Code § 6-61-124(b)(1), concerning the reporting of minority students who complete an education program, is amended to read as follows:

(b)(1) All state-supported colleges and universities in Arkansas shall report to the ~~Department of Education~~ Division of Elementary and Secondary Education as soon as possible after each semester a list of each minority student who:

SECTION 925. Arkansas Code § 6-61-124(b)(1)(B), concerning the reporting of minority students who complete an education program, is amended to read as follows:

(B) Has signed a consent form authorizing the college or university to report such information to the ~~department~~ division.

SECTION 926. Arkansas Code § 6-61-124(c)(1), concerning the reporting of minority students who complete an education program, is amended to read as

follows:

(c)(1) The ~~department~~ division shall maintain a database based upon the reports provided by each college and university under subsection (b) of this section.

SECTION 927. Arkansas Code § 6-61-127(a)(1), concerning the creation of the Arkansas Higher Education Performance Reporting System, is amended to read as follows:

(a)(1) The ~~Department~~ Division of Higher Education, in consultation with the institutions of higher education, shall develop an Arkansas Higher Education Performance Reporting System.

SECTION 928. Arkansas Code § 6-61-127(b) and (c), concerning the creation of the Arkansas Higher Education Performance Reporting System, are amended to read as follows:

(b) To the extent possible, the Arkansas Higher Education Performance Reporting System will utilize information from an accrediting agency recognized by the United States Department of Education's assessment outcomes measures which are required for reaffirmation of accreditation, federal Integrated Postsecondary Education Data System report data, and data collected annually through the ~~Department~~ Division of Higher Education's Statewide Information System.

(c) In developing the Arkansas Higher Education Performance Reporting System, the ~~Department~~ Division of Higher Education will review and analyze higher education performance reporting systems used in other states to incorporate the best aspects of those plans.

SECTION 929. Arkansas Code § 6-61-129(c)(2)(A), concerning the creation of centers of excellence, is amended to read as follows:

(2)(A) Institutions of higher education may submit proposals to the ~~Department~~ Division of Higher Education to become centers of excellence.

SECTION 930. Arkansas Code § 6-61-129(d)(1), concerning the creation of centers of excellence, is amended to read as follows:

(d)(1) Two (2) representatives of the ~~Department~~ Division of Higher Education as designated by the Director of the ~~Department~~ Division of Higher

Education, and one (1) representative of the Arkansas Economic Development Commission shall meet as needed to review applications jointly.

SECTION 931. The introductory language of Arkansas Code § 6-61-129(d)(2), concerning the creation of centers of excellence, is amended to read as follows:

(2) The ~~Department~~ Division of Higher Education and the Arkansas Economic Development Commission shall jointly make a recommendation to the board regarding which institutions shall be acknowledged as centers of excellence in a particular program or field of study based on factors, including, but not limited to:

SECTION 932. Arkansas Code § 6-61-131(b)(2)(A), concerning student accounts receivable policies at two-year institutions of higher education, is amended to read as follows:

(2)(A) Review its policies and practices to ensure its compliance with census reporting guidelines promulgated by the ~~Department~~ Division of Higher Education.

SECTION 933. Arkansas Code § 6-61-131(c)(3), concerning student accounts receivable policies at two-year institutions of higher education, is amended to read as follows:

(3) Filed with the ~~department~~ division no later than thirty (30) days after the adoption of the policy.

SECTION 934. Arkansas Code § 6-61-133(b), concerning professional development for mandated reporters and licensed elementary and secondary public school personnel, is amended to read as follows:

(b) For each degree program at an institution of higher education in this state that is a prerequisite for licensure or certification in a profession in which the professional is a child maltreatment mandated reporter under the Child Maltreatment Act, § 12-18-101 et seq., the ~~Department~~ Division of Higher Education shall coordinate with all the institutions of higher education to ensure that before receiving a degree, each graduate receives the professional development identified in subdivision (d)(1) of this section.

SECTION 935. Arkansas Code § 6-61-134(a)(3)(B), concerning amathematics requirement for an associate of applied science degree, is amended to read as follows:

(B) ~~Department~~ Division of Higher Education.

SECTION 936. Arkansas Code § 6-61-137(d), concerning the presentation of expenditure data by state-supported institutions of higher education, is amended to read as follows:

(d)(1) The ~~Department~~ Division of Higher Education:

(A) May promulgate rules necessary to implement this section; and

(B) Shall develop internal guidelines necessary to implement this section.

(2) The ~~department~~ division shall consult with the state-supported institutions of higher education in developing rules and internal guidelines necessary to implement this section.

SECTION 937. Arkansas Code § 6-61-203 is amended to read as follows:

6-61-203. Director and staff — Funds — Central office.

(a)(1)(A) The Arkansas Higher Education Coordinating Board shall appoint a director through a search and selection process that includes substantial input, review, and recommendation from the Presidents Council, in consultation with the Secretary of the Department of Education, subject to confirmation by the Governor.

(B) The director shall serve at the pleasure of the Governor and the Secretary of the Department of Education.

(2) ~~The director shall serve as a member of the Governor's cabinet as the advocate for higher education.~~

~~(3)~~(A) The director and other staff employed by the board shall demonstrate competence in the field of institutional management or agency management, institutional finance, financial aid, or institutional research.

(B) The director shall exhibit advanced coordination and communication skills.

(b) The salary of the director and other members of the staff employed by the board or the Department of Education shall be comparable to the

positions requiring similar qualifications and experience.

(c) The staff of the board shall be under the direction and supervision of the director.

(d) The board shall be provided sufficient operating funds to enable it to carry out adequately the programs and functions assigned to the ~~Department~~ Division of Higher Education.

(e) The central office of the ~~department~~ division shall be maintained in Little Rock.

(f)(1) The board shall evaluate the director annually.

(2) The council shall provide an evaluation report of the ~~department~~ division and the director to the board at least annually.

SECTION 938. Arkansas Code § 6-61-204(d)(3), concerning advisory committees and councils, is amended to read as follows:

(3) The ~~Department~~ Division of Higher Education employees shall staff each committee.

SECTION 939. Arkansas Code § 6-61-207(b) and (c), concerning role and scope designations of the Arkansas Higher Education Coordinating Board, is amended to read as follows:

(b) To assist the board and the ~~Department~~ Division of Higher Education in their effort to promote a coordinated system of higher education in Arkansas that addresses and responds to the changing economic needs of the state and the new economy, the Arkansas Economic Development Commission shall provide the ~~Department of Higher Education~~ division a list of the state's overall and regional economic development goals within ten (10) days of August 12, 2005, and by September 1 of each year thereafter.

(c)(1) The ~~Department of Higher Education~~ division may retain the services of consultants or other experts as may be necessary to carry out the review, and the ~~Department of Higher Education~~ division staff shall work directly with the consultants to handle the logistics of needed discussion groups, meeting minutes, and recommendation dissemination.

(2) The review process shall include an opportunity for institutions to provide input, as well as a time for public and business comment.

(3) Upon completion of the review, the ~~Department of Higher~~

~~Education~~ division shall provide a report regarding its findings to the board, the Governor, the cochairs of the Legislative Council, and the Director of the Bureau of Legislative Research.

(4) The requirements for a review under this section shall be contingent upon the appropriation and availability of funding for that purpose.

SECTION 940. Arkansas Code § 6-61-215 is amended to read as follows:

6-61-215. Student tuition and fees — Reporting.

Annually, by July 1, the ~~Department~~ Division of Higher Education shall report the tuition and mandatory fees charged to students, including all changes to tuition and mandatory fees, for each state-supported institution of higher education to the House Committee on Education and the Senate Committee on Education.

SECTION 941. Arkansas Code § 6-61-220(b) and (c), concerning retention and graduation rate information, are amended to read as follows:

(b)(1)(A) The ~~Department~~ Division of Higher Education, in consultation with the colleges and universities, shall recommend a system for the collection of information as to the retention and graduation rates of students at state-supported colleges and universities to the board, the Governor, the House Committee on Education, the Senate Committee on Education, and the colleges and universities.

(B) In addition to retention and graduation rates for all students, the report shall also include the retention and graduation rates of all students who participate in intercollegiate athletics.

(2) Except as provided in subsection (c) of this section, officials of state colleges and universities shall provide to the ~~department~~ division the information requested by the ~~department~~ division by December 1 of each year, beginning in 2000.

(3)(A) For the purpose of analysis by the Bureau of Legislative Research to guide the General Assembly's evaluation of the need for adjustments to eligibility and funding levels for state-supported student financial assistance, the Office of Accountability of the ~~Department of Education~~ Division of Elementary and Secondary Education shall provide annually to the bureau all individual student demographic and test result

data on ACT or ACT equivalent college placement exams.

(B) The office shall provide the data in a database or spreadsheet format that omits personally identifiable information.

(c)(1) Subject to an adequate appropriation for the personnel and equipment necessary to implement the system recommended under subdivision (b)(1) of this section, the ~~department~~ division shall collect the information described in subdivision (b)(1) of this section and report its findings to the board, the Governor, the committees, and the colleges and universities by May 1 of each year, beginning in 2000.

(2) Notwithstanding the provisions of subdivision (c)(1) of this section, colleges and universities shall commence the collection of information as to the retention and graduation rates of all students who participate in intercollegiate athletics beginning in the fall semester of 1989 and shall report this information to the ~~department~~ division by December 1 of each year, beginning in 2000.

SECTION 942. Arkansas Code § 6-61-221 is amended to read as follows:

6-61-221. Reporting of graduates requiring postsecondary remediation.

(a)(1) The ~~Department~~ Division of Higher Education shall collect information necessary to prepare reports of college achievement of high school graduates from each state-supported institution of higher education.

(2) The ~~Department~~ Division of Higher Education may contract with appropriate organizations for the preparation of the reports.

(b) The ~~Department~~ Division of Higher Education and the Office of Accountability of the ~~Department of Education~~ Division of Elementary and Secondary Education shall work together to develop a compatible system of reporting the number of:

(1) Students who required remediation during their first year of enrollment in a state-supported institution of higher education if the enrollment occurred within two (2) years of graduation from a secondary school in this state;

(2) Students who required remediation and who graduated:

(A) With a 3.0 or higher grade point average on a 4.0 scale; and

(B) From a public high school after completing the:

(i) Program of the minimum core of high school

courses recommended for preparation for postsecondary education by the Arkansas Higher Education Coordinating Board and the State Board of Education pursuant to § 6-61-217 known as Smart Core; or

(ii) Non-Smart Core curriculum; and

(3) Attempts it takes a student to pass a postsecondary remedial course, beginning in the 2011-2012 school year.

(c)(1) The compilation report generated by the ~~Department~~ Division of Higher Education shall not include individual student information if the information is reported in a manner that would identify a particular student.

(2) Any information gathered that identifies a particular student shall be confidential.

(d)(1) The ~~Department~~ Division of Higher Education shall include the reports developed under this section annually in the Comprehensive Arkansas Higher Education Annual Report and provide an electronic copy to the:

(A) ~~Department of Education~~ Division of Elementary and Secondary Education;

(B) ~~Department~~ Division of Career and Technical Education;

(C) Arkansas Higher Education Coordinating Board;

(D) Governor;

(E) House Committee on Education;

(F) Senate Committee on Education;

(G) State Board of Education; and

(H) School district administrators for each public high school.

(2) The reports developed under this section shall be prepared on or before October 1 each year and include the cost of remediation for each state-supported institution of higher education, which shall be submitted to the ~~Department~~ Division of Higher Education according to standards developed by the ~~Department~~ Division of Higher Education and shall include for each state-supported institution of higher education:

(A) The amount of institutional revenue spent on remediation;

(B) The total general revenue subsidy spent on remediation;

(C) The total institutional expenditure for remediation; and

(D) The general revenue percentage of total expenditures for remediation.

(3) The report required under this subsection shall be separate from the uniform reporting standards report required under § 6-61-222.

SECTION 943. Arkansas Code § 6-61-222(a)(3)(B), concerning uniform reporting standards, is amended to read as follows:

(B) "Academic program" means any program of study leading to a degree or certificate and any other program as defined by the ~~Department~~ Division of Higher Education;

SECTION 944. Arkansas Code § 6-61-226(b)(1)(A), concerning guidelines for course review, is amended to read as follows:

(b)(1)(A) The ~~Department~~ Division of Higher Education shall establish peer review project teams composed of faculty members of Arkansas universities and two-year colleges.

SECTION 945. Arkansas Code § 6-61-226(b)(2)(A), concerning guidelines for course review, is amended to read as follows:

(2)(A) The peer review project team for each discipline shall review and recommend to the ~~department~~ division courses in the applicable discipline to be recommended to the board for inclusion in the curriculum.

SECTION 946. Arkansas Code § 6-61-227 is amended to read as follows:

6-61-227. Annual transfer credit report.

All public institutions of higher education and any participating private institutions of higher education shall file a report annually with the ~~Department~~ Division of Higher Education identifying the number of students who requested transfer credit for a completed course in the state minimum core curriculum but were not given credit.

SECTION 947. The introductory language of Arkansas Code § 6-61-231(d)(1)(C)(i), concerning statewide transfer agreements, is amended to read as follows:

(C)(i) Policies and procedures for the ~~Department~~ Division of Higher Education to collect data from public institutions of higher

education to ensure that:

SECTION 948. Arkansas Code § 6-61-231(d)(1)(C)(ii), concerning statewide transfer agreements, is amended to read as follows:

(ii) The ~~department~~ division shall determine annually the data to be collected and shall establish by rule the procedures for a public institution of higher education to provide the data requested.

SECTION 949. Arkansas Code § 6-61-234(a)(1)(A), concerning the productivity-based funding model for state-supported institutions of higher education, is amended to read as follows:

(a)(1)(A) The Arkansas Higher Education Coordinating Board shall adopt policies developed by the ~~Department~~ Division of Higher Education necessary to implement a productivity-based funding model for state-supported institutions of higher education.

SECTION 950. Arkansas Code § 6-61-234(d)-(f), concerning the productivity-based funding model for state-supported institutions of higher education, are amended to read as follows:

(d) Funds unallocated to state-supported institutions of higher education due to productivity declines shall be reserved by the ~~department~~ division to address statewide needs in higher education.

(e) The ~~department~~ division shall review the policies every five (5) years to ensure the productivity-based funding model continues to respond to the needs and priorities of the state.

(f) In any fiscal year for which the aggregate general revenue funding forecast to be available for state-supported institutions of higher education is greater than two percent (2%) less than the amount provided for the immediate previous fiscal year, the ~~department~~ division shall not further implement the productivity-based funding model until the following fiscal year.

SECTION 951. Arkansas Code § 6-61-301(a)(3), concerning incorporation of laws from the Arkansas Higher Education Coordinating Board, is amended to read as follows:

(3) Nonpublic, not-for-profit colleges and universities

currently incorporated, recognized by the Arkansas Higher Education Coordinating Board as Arkansas independent institutions of higher education, and operating under the applicable laws of this state shall not be required to receive certification from the Arkansas Higher Education Coordinating Board or to receive licensure from the ~~Department~~ Division of Higher Education under § 6-51-601 et seq.

SECTION 952. Arkansas Code § 6-61-302(b)(4), concerning incorporation and certification advisory committee to the Arkansas Higher Education Coordinating Board, is amended to read as follows:

(4) The Director of the ~~Department~~ Division of Career and Technical Education or his or her designated representative; and

SECTION 953. Arkansas Code § 6-61-304 is amended to read as follows:

6-61-304. Review of existing programs of higher education.

In order to provide for the orderly development, coordination, financing, and expansion of the higher education program of this state, the ~~Department~~ Division of Higher Education shall review the existing programs of higher education in this state and assist in the orderly development and expansion of higher education in this state in accordance with the procedures outlined in §§ 6-61-101 — 6-61-103, 6-61-201 — 6-61-209, 6-61-211 [repealed], 6-61-212 — 6-61-216, 6-61-301 — 6-61-305, 6-61-306 [repealed], 6-61-401, 6-61-402, 6-61-501 — 6-61-524, 6-61-601 — 6-61-603 and 6-61-604 — 6-61-612 [repealed].

SECTION 954. Arkansas Code § 6-61-305 is amended to read as follows:

6-61-305. Encouragement of participation by private institutions.

The ~~Department~~ Division of Higher Education staff and the Arkansas Higher Education Coordinating Board shall invite and encourage the participation of private colleges and universities, proprietary schools, and all other postsecondary institutions in Arkansas in planning for the programs of education beyond high school.

SECTION 955. Arkansas Code § 6-61-401(a), concerning the State Student Incentive Grant Program, is amended to read as follows:

(a) The ~~Department~~ Division of Higher Education, in accordance with

policy established by the Arkansas Higher Education Coordinating Board, shall administer the federal State Student Incentive Grant Program.

SECTION 956. Arkansas Code § 6-61-402(c), concerning contracts and cooperation with the Southern Regional Education Board, is amended to read as follows:

(c) The ~~Department~~ Division of Higher Education staff, at the direction of the Arkansas Higher Education Coordinating Board, is empowered to conduct necessary administrative duties in connection with this program.

SECTION 957. Arkansas Code § 6-61-504 is amended to read as follows:

6-61-504. Division of Community Junior Colleges created.

The Director of the ~~Department~~ Division of Higher Education shall establish a separate Division of Community Junior Colleges within the ~~Department~~ Division of Higher Education.

SECTION 958. Arkansas Code § 6-61-505(b), concerning the State Community College Board, is amended to read as follows:

(b) When the ~~board~~ Arkansas Higher Education Coordinating Board is acting as the State Community College Board, the Director of the ~~Department of Education~~ Division of Elementary and Secondary Education shall be an ex officio nonvoting member of that ~~board~~ Arkansas Higher Education Coordinating Board.

SECTION 959. Arkansas Code § 6-61-505(c)(8)(C), concerning the State Community College Board, is amended to read as follows:

(C) If it is determined that any community college is not adequately comprehensive and is not becoming adequately comprehensive, that institution shall not be eligible for state funds until it has corrected the deficiencies and has received a favorable determination by the board.

SECTION 960. Arkansas Code § 6-61-803 is amended to read as follows:

6-61-803. Arkansas Research Development Program created — Administration.

There is created a program to be known as the Arkansas Research Development Program which shall be administered by the Director of the

~~Department~~ Division of Higher Education.

SECTION 961. Arkansas Code § 6-61-808(b)(1), concerning applications for funds for the Arkansas Research Development Program, is amended to read as follows:

(b)(1) The Director of the ~~Department~~ Division of Higher Education shall review the applications and shall approve applications in the amount he or she determines appropriate, after seeking the advice of the Legislative Council.

SECTION 962. Arkansas Code § 6-61-901 is amended to read as follows:

6-61-901. Purpose.

In order to enhance the public's access to performance indicators and to better measure the dividends paid on the increasing public investment in Arkansas's institutions of higher education, the General Assembly finds that a separate office of accountability should be established within the ~~Department~~ Division of Higher Education.

SECTION 963. Arkansas Code § 6-61-902 is amended to read as follows:

6-61-902. Office of Accountability within ~~Department~~ Division of Higher Education.

(a) There is created the Office of Accountability within the ~~Department~~ Division of Higher Education.

(b) The office is authorized and directed to collect and analyze information that may be required to meet any state or federal requirement.

(c) Under the direction of the Director of the ~~Department~~ Division of Higher Education, the staff of the office shall work cooperatively with and provide any necessary assistance to the House Committee on Education and the Senate Committee on Education.

SECTION 964. Arkansas Code § 6-61-1303(4)(C), concerning definition of "full-time student" under the Productivity Enhancement for Undergraduate Higher Education Act, is amended to read as follows:

(C) Is enrolled in at least twelve (12) semester hours or some other reasonable academic equivalent as defined by the ~~Department~~ Division of Higher Education;

SECTION 965. Arkansas Code § 6-61-1403(a), concerning additions or alterations to the common course numbering system, is amended to read as follows:

(a) The Director of the ~~Department~~ Division of Higher Education shall recommend to the Arkansas Higher Education Coordinating Board any additions or alterations to the common course numbering system.

SECTION 966. Arkansas Code § 6-61-1406 is amended to read as follows:

6-61-1406. Courses review.

The ~~Department~~ Division of Higher Education shall:

(1) Regularly schedule reviews of courses that are listed in the common course numbering system;

(2) Establish review procedures; and

(3) Adopt policies to carry out this section.

SECTION 967. Arkansas Code § 6-61-1407 is amended to read as follows:

6-61-1407. Data collection.

(a) The ~~Department~~ Division of Higher Education shall adopt policies for the collection of data to ensure that all institutions of higher education that participate in the common course numbering system comply with this subchapter.

(b) The ~~department~~ division shall determine the data to be collected and annually notify each participating institution of higher education in a timely manner.

SECTION 968. Arkansas Code § 6-61-1602(b), concerning the creation and purpose of the Institutional Energy Research Committee, is amended to read as follows:

(b) The ~~Department~~ Division of Higher Education, in collaboration with state-supported institutions of higher education that participate in energy research activities, shall appoint at least one (1) member of the research faculty at each state-supported institution of higher education that participates in energy research activities to serve on the Institutional Energy Research Committee.

SECTION 969. Arkansas Code § 6-62-105(a)(1), concerning private borrowing by institutions of higher education, is amended to read as follows:

(a)(1) Upon approval of the board of trustees of a state-supported institution of higher education, the ~~Department~~ Division of Higher Education, and the Chief Fiscal Officer of the State, a state-supported institution of higher education may borrow funds determined by the board to be necessary to continue the operation of the state-supported institution of higher education from a private financial institution if the Revolving Loan Fund is insufficient, as certified by the Chief Fiscal Officer of the State, for a state-supported institution of higher education to participate in the fund.

SECTION 970. The introductory language of Arkansas Code § 6-62-105(c)(1), concerning private borrowing by institutions of higher education, is amended to read as follows:

(c)(1) Notwithstanding subsections (a) and (b) of this section or § 19-4-705, the Chief Fiscal Officer of the State and the Director of the ~~Department~~ Division of Higher Education may authorize a state-supported institution of higher education to borrow funds from a private financial institution provided that the board certifies that borrowing funds from a private financial institution:

SECTION 971. Arkansas Code § 6-62-726(a), concerning the rules and regulations for the Department of Higher Education appropriation for college savings bonds, is amended to read as follows:

(a) The ~~Department~~ Division of Higher Education or other agency to which the appropriation for college savings bonds is provided shall adopt rules and regulations for the allocation of the funds reappropriated for the development of projects at state institutions of higher education and the payment of project costs and expenses of the issuance of the bonds under this subchapter in order to ensure that funds are allocated and expended in a manner consistent with the applicable provisions of the Internal Revenue Code, 26 U.S.C. § 1 et seq.

SECTION 972. Arkansas Code § 6-62-803(a) and (b), concerning limits on the funding amount to be budgeted of unrestricted educational and general funds for intercollegiate athletic programs at state-supported institutions

of higher education, is amended to read as follows:

(a) For the certification required under § 6-62-805, the amount allowed to be budgeted of unrestricted educational and general funds for intercollegiate athletic programs at state-supported institutions of higher education shall be limited to an amount established by the ~~Department~~ Division of Higher Education for the fiscal year 2012-2013 or an amount of not more than two percent (2%) of the actual total unrestricted educational and general revenues of the previous fiscal year at institutions of higher education.

(b) The ~~department~~ division shall annually adjust the allowable transfer based upon the Consumer Price Index.

SECTION 973. Arkansas Code § 6-63-103(c), concerning affirmative action programs, plans, and annual reports, is amended to read as follows:

(c) Copies of the five-year plan and annual reports summaries of each institution of higher education shall be included in the Comprehensive Arkansas Higher Education Annual Report, filed with the Governor, the ~~Department~~ Division of Higher Education, the president and board of trustees of the institution, the board of visitors of the institution, if applicable, and the House Committee on Education and the Senate Committee on Education.

SECTION 974. Arkansas Code § 6-63-104(a), concerning faculty performance reviews, is amended to read as follows:

(a) The president and chancellor of each state-supported institution of higher education in Arkansas shall work with the campus faculties to develop a framework to review faculty performance, including post-tenure review. The framework should be used to develop processes and procedures at each institution to ensure a consistently high level of performance of the faculty at Arkansas' publicly supported institutions of higher education. The effects of the review process of faculty performance should include rewarding productive faculty, redirecting faculty efforts to improve or to increase productivity, and correcting instances of substandard performance. The framework developed by each institution shall be reported to the House Committee on Education and the Senate Committee on Education, the Joint Interim Oversight Committee on Education Reform, and the ~~Department~~ Division of Higher Education no later than December 1, 1998, and shall be implemented

on the respective campuses no later than January 1, 2001.

SECTION 975. Arkansas Code § 6-63-104(d), concerning faculty performance reviews, is amended to read as follows:

(d) The ~~department~~ division shall be responsible for monitoring the evaluation process and shall report its findings to the Arkansas Higher Education Coordinating Board and to the Legislative Council by August 1 of each year.

SECTION 976. Arkansas Code § 6-63-305(a)(1)(A) and (B), concerning new or additional positions for institutions of higher education, are amended to read as follows:

(A) A request for a specific nonclassified position, title, and salary has been requested by the institution of higher education, approved by the institution's board of trustees, recommended by the ~~Department~~ Division of Higher Education, and reported to the Legislative Council; or

(B) A request for a specific classified position will be assigned only after a specific position, class title, and grade are requested by the institution of higher education, approved by the institution's board, recommended by the ~~department~~ division and reported to the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee; and

SECTION 977. Arkansas Code § 6-63-305(a)(3), concerning new or additional positions for institutions of higher education, are amended to read as follows:

(3) The source of funding for the additional positions established under this subsection shall be reported to the ~~department~~ division and the Legislative Council by the institution at the time of the request.

SECTION 978. Arkansas Code § 6-63-307(a), concerning salary restrictions and penalties of institutes of higher education, is amended to read as follows:

(a) An employee drawing a salary or other form of compensation from an

institution of higher education shall not be paid an additional salary or receive additional compensation other than reimbursement for actual expenses from that institution or from any other agency or institution of higher education except upon written certification to and approval by the Director of the ~~Department~~ Division of Higher Education and by the head of each agency or institution that the work performed by the employee for the other agency or institution of higher education does not interfere with the proper and required performance of the employee's Elementary duties and that the combined salary payments from both agencies or institutions of higher education will not exceed the larger maximum annual salary of the line item position authorized for either agency from which the employee is to be paid.

SECTION 979. Arkansas Code § 6-63-311(a)(3), concerning special authorization and contracts for the National Center for Toxicological Research, is amended to read as follows:

(3) The ~~Department~~ Division of Higher Education will be notified of when and in what amount the special allowance will be paid prior to activation of the special allowance.

SECTION 980. Arkansas Code § 6-63-312 is amended to read as follows:

6-63-312. Contingency appropriations — Transfers and reports.

(a) Upon approval by the ~~Department~~ Division of Higher Education and the Chief Fiscal Officer of the State, institutions of higher education may transfer appropriation from the cash contingency appropriation to any other appropriation made to the institution from cash funds and institutions may transfer appropriation from the contingency appropriation made payable from each institution's State Treasury Fund to the state operations appropriation made payable from each institution's State Treasury Fund.

(b) The ~~department~~ division shall report monthly to the Legislative Council these appropriation transfers, and the report shall include, by institution, the amounts transferred, the reasons therefor, and the source of the funds.

SECTION 981. Arkansas Code § 6-63-316(b), concerning reporting of salaries of administrators of state-supported institution of higher education, is amended to read as follows:

(b)(1) A state-supported institution of higher education shall submit a report listing each administrator at the state-supported institution of higher education who earns a salary of one hundred thousand dollars ($100,000) or more to the Arkansas Higher Education Coordinating Board and the ~~Department~~ Division of Higher Education by July 1 each year, beginning July 1, 2010.

(2) The report shall be posted on the ~~department~~ division website no later than July 15 each year, beginning July 15, 2010.

SECTION 982. Arkansas Code § 6-65-104(b)(2), concerning rural school teachers' training department, is amended to read as follows:

(2) These courses shall be outlined by a committee consisting of the principal of each of the agricultural schools, the President of the University of Central Arkansas, and the Director of the ~~Department of Education~~ Division of Elementary and Secondary Education and the Director of the ~~Department~~ Division of Career and Technical Education.

SECTION 983. Arkansas Code § 6-66-113(b), concerning the report by the Board of Trustees of Henderson State University, is amended to read as follows:

(b) The report shall be incorporated in the report of the Director of the ~~Department of Education~~ Division of Elementary and Secondary Education and shall set forth the financial and scholastic condition of Henderson State University, furnish such suggestions as in the judgment of the board are necessary for the improvement of the university, and make any further recommendations that may to the board seem wise and expedient.

SECTION 984. Arkansas Code § 6-67-114(b), concerning the biennial report to the General Assembly of the Board of Trustees of the University of Central Arkansas, is amended to read as follows:

(b) The report shall be incorporated in the report of the Director of the ~~Department of Education~~ Division of Elementary and Secondary Education and shall set forth the financial and scholastic condition of the University of Central Arkansas, furnish such suggestions as in the board's judgment are necessary for the improvement of the university, and shall make any further recommendations that may seem wise and expedient to the board.

SECTION 985. Arkansas Code § 6-68-102(4), concerning an electronic version of printed instructional material, is amended to read as follows:

(4) Is signed by the coordinator of services for students with disabilities at the institution of higher education and by an official responsible for monitoring compliance with the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq. At the request of the institution of higher education, the Division of State Services for the Blind of the Department of Human Services or the ~~Department~~ Division of Career and Technical Education may prepare and sign the certification.

SECTION 986. Arkansas Code § 6-80-102(a), concerning compliance with the Selective Service Act, is amended to read as follows:

(a) "Institution of higher education" has the meaning assigned by the ~~Department~~ Division of Higher Education.

SECTION 987. Arkansas Code § 6-80-102(d), concerning compliance with the Selective Service Act, is amended to read as follows:

(d) The ~~department~~ division shall specify by rule the form of statements of selective service status and the supporting documents to be filed to be in compliance with this section. The ~~department~~ division shall distribute to each institution of higher education a copy of all rules adopted under this section.

SECTION 988. Arkansas Code § 6-80-105(a)(1), concerning scholarship stacking and student financial aid, is amended to read as follows:

(1) "Cost of attendance" means the recognized cost of attendance of an institution of higher education calculated under rules established by the ~~Department~~ Division of Higher Education;

SECTION 989. Arkansas Code § 6-80-105(a)(4), concerning scholarship stacking and student financial aid, is amended to read as follows:

(4) "State aid" means scholarships or grants awarded to a student from public funds, including without limitation the Arkansas Academic Challenge Scholarship under § 6-85-201 et seq., the ~~Department~~ Division of Higher Education scholarship and grant programs, state general revenues,

tuition, and local tax revenue; and

SECTION 990. Arkansas Code § 6-80-105(c), concerning scholarship stacking and student financial aid, is amended to read as follows:

(c) A postsecondary institution shall report to the ~~department~~ division the total amount of federal aid, state aid, and other aid a student receives if the student receives an award from a ~~department~~ division scholarship or grant program, including the Arkansas Academic Challenge Scholarship under § 6-85-201 et seq.

SECTION 991. Arkansas Code § 6-80-105(d)(2), concerning scholarship stacking and student financial aid, is amended to read as follows:

(2) The ~~department~~ division shall credit the excess state aid funds to the appropriate ~~department~~ division fund or trust account.

SECTION 992. Arkansas Code § 6-80-105(e)(1), concerning scholarship stacking and student financial aid, is amended to read as follows:

(1) The ~~department~~ division if the ~~department~~ division awards state aid to the student; and

SECTION 993. Arkansas Code § 6-80-107 is amended to read as follows:

6-80-107. Transcripts.

(a)(1) As used in this section, "electronic transcript" means a student transcript that is formatted and transmitted electronically in the uniform method prescribed by the ~~Department~~ Division of Higher Education and the ~~Department of Education~~ Division of Elementary and Secondary Education for use by public schools and institutions of higher education in this state.

(2) An Arkansas public school shall use an electronic transcript in lieu of a paper transcript to:

(A) Provide to the ~~Department~~ Division of Higher Education as necessary to process state financial aid applications for students in grades nine through twelve (9-12);

(B) Transmit a transcript between public high schools to correctly enroll and place students in grades nine through twelve (9-12) transferring between public high schools and school districts; and

(C) Transmit a transcript to the ~~Department of Education~~

Division of Elementary and Secondary Education.

(3) An institution of higher education in this state shall use an electronic transcript in lieu of a paper transcript:

(A) As the only method of accepting a transcript from an Arkansas public school;

(B) As the only method of accepting a transcript from or sending a transcript to another institution of higher education in this state;

(C) To provide to the ~~Department~~ Division of Higher Education as necessary to process state financial aid applications for higher education students; and

(D) To transmit a transcript to the ~~Department of Education~~ Division of Elementary and Secondary Education.

(b)(1) Except as provided under subdivision (b)(2) of this section, an institution of higher education that does not comply with this section shall not receive state financial aid on behalf of students.

(2) An institution of higher education with less than ten (10) students who receive financial aid from a program administered by the ~~Department~~ Division of Higher Education is exempt from the requirements under subsection (a) of this section and the penalty under this subsection.

(c)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall prescribe a uniform method of formatting and electronically transmitting transcripts, which shall be used by all kindergarten through grade eight (K-8) public elementary or middle schools in this state.

(2) A public elementary or middle school shall use an electronic transcript in lieu of a paper transcript to transmit a transcript:

(A) Between public schools as necessary to correctly enroll and place students transferring between schools and school districts; and

(B) To the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 994. Arkansas Code § 6-81-603 is amended to read as follows:

6-81-603. Administration.

(a) The Teacher Opportunity Program shall be administered by the

~~Department~~ Division of Higher Education, which shall have the authority to establish necessary rules, regulations, procedures, and selection criteria for the administration of the program and to designate necessary forms and schedules.

(b) The ~~department~~ division may utilize an appropriate advisory committee to assist it in its responsibilities in this program.

SECTION 995. Arkansas Code § 6-81-604 is amended to read as follows:

6-81-604. Conditions.

The ~~Department~~ Division of Higher Education may make initial and continuing grants to students under the following conditions:

(1) Grant recipients shall be bona fide residents of the State of Arkansas, as defined by the ~~Department~~ Division of Higher Education;

(2) Grant recipients shall maintain current certification with the ~~Department of Education~~ Division of Elementary and Secondary Education, allowing them to be employed by the public schools in Arkansas;

(3) Grant recipients shall be currently employed as teachers or administrators in Arkansas and declare an intention to continue that employment in Arkansas;

(4) Grant recipients shall be enrolled in an eligible accredited college or university in Arkansas;

(5) Grant recipients shall be enrolled in college-level courses directly related to their employment as certified by the Commissioner of Elementary and Secondary Education; and

(6) Grant recipients shall maintain a grade point average in their college work of no less than 2.5 on a 4.0 scale or maintain an appropriate equivalent as determined by the ~~Department~~ Division of Higher Education.

SECTION 996. Arkansas Code § 6-81-605(a)(2)(C), concerning the priority of grants under the Teacher Opportunity Program, is amended to read as follows:

(C) All other requirements established by the ~~Department~~ Division of Higher Education are met.

SECTION 997. Arkansas Code § 6-81-605(b), concerning the priority of

grants under the Teacher Opportunity Program, is amended to read as follows:

(b)(1) The ~~Department~~ Division of Higher Education shall determine priorities for awarding reimbursements if there are more applicants than funds available.

(2) Priorities shall be determined in coordination with the ~~Department of Education~~ Division of Elementary and Secondary Education and shall be based on the needs of the state.

SECTION 998. The introductory language of Arkansas Code § 6-81-607(1), concerning the definition of "classroom teacher" under the Teacher Opportunity Program, is amended to read as follows:

(1) "Classroom teacher" means an individual who is required to hold a teaching license from the ~~Department of Education~~ Division of Elementary and Secondary Education and who is:

SECTION 999. Arkansas Code § 6-81-608(b), concerning the Dual Licensure Incentive Program, is amended to read as follows:

(b) The program shall be administered by the ~~Department~~ Division of Higher Education.

SECTION 1000. Arkansas Code § 6-81-609(a)(1)(A)(i), concerning dual licensure funding, is amended to read as follows:

(i) Declared to be a shortage area by the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 1001. Arkansas Code § 6-81-609(a)(1)(B)(ii), concerning dual licensure funding, is amended to read as follows:

(ii) The amount of the reimbursement and the number of reimbursement recipients selected by the ~~Department~~ Division of Higher Education is contingent on the appropriation and availability of funding for such a purpose.

SECTION 1002. Arkansas Code § 6-81-609(a)(2)(B)(ii)(a), concerning dual licensure funding, is amended to read as follows:

(a) Has been identified as a subject area with a shortage of classroom teachers as declared by the ~~Department of Education~~

Division of Elementary and Secondary Education; or

SECTION 1003. Arkansas Code § 6-81-1101(a) and (b), concerning tuition assistance for certain professional schools, is amended to read as follows:

(a) The ~~Department~~ Division of Higher Education shall institute a program of making grants for the benefit of Arkansas residents to assist in paying tuition for attending certain accredited schools of dentistry, optometry, veterinary medicine, podiatry, or chiropractic located outside the State of Arkansas but within the United States.

(b) In addition to the Southern Regional Education Compact program for which the Arkansas Higher Education Coordinating Board serves as agent for the state and for which the ~~department~~ division serves as disbursing agent pursuant to §§ 6-4-104 — 6-4-107, the Arkansas Higher Education Coordinating Board is authorized to enter into direct contracts with selected accredited schools of dentistry, optometry, veterinary medicine, podiatry, chiropractic, or osteopathy which do not participate in the program if the Arkansas Higher Education Coordinating Board determines that the needs of the state are not being met by institutions participating in the program.

SECTION 1004. Arkansas Code § 6-81-1101(c)(2)(E), concerning tuition assistance for certain professional schools, is amended to read as follows:

(E) Is a party to a currently effective written agreement between the participating institution and the ~~department~~ division or the ~~Board of Control for Southern Regional Education~~ Southern Regional Education Board; and

SECTION 1005. Arkansas Code § 6-81-1101(c)(3)(C), concerning tuition assistance for certain professional schools, is amended to read as follows:

(C) Has been certified under § 6-4-106 by the ~~department~~ division as qualified to participate in the grant program authorized by this section and consistent with § 6-4-106.

SECTION 1006. Arkansas Code § 6-81-1101(d)(2), concerning tuition assistance for certain professional schools, is amended to read as follows:

(2) For participating schools which charge the same amount of annual tuition for in-state and out-of-state students and such annual tuition

is extraordinary as determined by the ~~department~~ division, the amount shall not be less than five thousand dollars ($5,000) per student.

SECTION 1007. Arkansas Code § 6-81-1101(e), concerning tuition assistance for certain professional schools, is amended to read as follows:

(e)(1) The program shall be administered by the ~~department~~ division.

(2) The grants shall be made upon such terms and conditions as are prescribed by the ~~department~~ division.

(3) The ~~department~~ division shall promulgate such rules and regulations as are necessary to implement the provisions of this section.

SECTION 1008. Arkansas Code § 6-81-1101(f), concerning tuition assistance for certain professional schools, is amended to read as follows:

(f)(1) The ~~department~~ division will allocate, based upon funds appropriated, the number of eligible grant recipients to receive funds at each participating institution for each applicable academic period.

(2) Each participating institution will select eligible grant recipients for each applicable academic period. In the event that the number of eligible students accepted for enrollment at such participating institution exceeds the number of eligible grant recipients for whom funds have been allocated by the ~~department~~ division from funds appropriated, such participating institution shall have sole discretion in selecting the eligible students to designate as eligible grant recipients.

(3) The ~~department~~ division shall make grants according to the allocations made by the ~~department~~ division and selections made by the participating institutions. The ~~department~~ division shall have no obligation to make any grants except to the extent that funds have been appropriated and funded for the program.

SECTION 1009. Arkansas Code § 6-81-1103(a), concerning repayment of out-of-state tuition paid by the State of Arkansas, is amended to read as follows:

(a) The ~~Department~~ Division of Higher Education may provide loans from the Budget Stabilization Trust Fund in excess of the ~~Board of Control for Southern Regional Education~~ Southern Regional Education Board grant funds to dental students enrolled in professional programs outside the state for whom

any part of the out-of-state tuition is paid by the State of Arkansas if the tuition paid to the out-of-state institution exceeds the board-contracted rate.

SECTION 1010. Arkansas Code § 6-81-1103(e)(3), concerning repayment of out-of-state tuition paid by the State of Arkansas, is amended to read as follows:

(3) Extraordinary circumstances as determined by the ~~department~~ division.

SECTION 1011. Arkansas Code § 6-81-1103(f), concerning repayment of out-of-state tuition paid by the State of Arkansas, is amended to read as follows:

(f) The loans shall be made at a rate of interest determined by the ~~department~~ division but not to exceed four percent (4%).

SECTION 1012. Arkansas Code § 6-81-1105(a)(6)(D), concerning veterinary medicine loans, is amended to read as follows:

(D) Has been certified under § 6-4-106 by the ~~Department~~ Division of Higher Education as qualified to participate in the loan repayment program authorized by this section and consistent with § 6-4-106.

SECTION 1013. The introductory language of Arkansas Code § 6-81-1105(b), concerning veterinary medicine loans, is amended to read as follows:

(b) The ~~department~~ division shall institute a loan repayment program to:

SECTION 1014. Arkansas Code § 6-81-1105(c)(1), concerning veterinary medicine loans, is amended to read as follows:

(c)(1) The ~~department~~ division shall administer the program.

SECTION 1015. Arkansas Code § 6-81-1105(c)(2)(A), concerning veterinary medicine loans, is amended to read as follows:

(2)(A) The ~~department~~ division shall adopt rules to implement this section and address the terms and conditions of loan repayments made under this section.

SECTION 1016. The introductory language of Arkansas Code § 6-81-1105(d), concerning veterinary medicine loans, is amended to read as follows:

(d) The ~~department~~ division shall:

SECTION 1017. Arkansas Code § 6-81-1105(d)(3), concerning veterinary medicine loans, is amended to read as follows:

(3)(A) Distribute loan repayments according to the allocations made by the ~~department~~ division.

(B) The ~~department~~ division shall not be obligated to make a loan repayment unless funds are appropriated.

SECTION 1018. The introductory language of Arkansas Code § 6-81-1106(b), concerning student loan repayment, is amended to read as follows:

(b) The ~~Department~~ Division of Higher Education shall repay federal student loans yearly for a maximum of five (5) consecutive years if the recipient:

SECTION 1019. Arkansas Code § 6-81-1106(d)(3), concerning student loan repayment, is amended to read as follows:

(3) Other period of postponement agreed to by the ~~department~~ division.

SECTION 1020. Arkansas Code § 6-81-1106(e), concerning student loan repayment, is amended to read as follows:

(e) The ~~department~~ division shall adopt rules to administer this section.

SECTION 1021. Arkansas Code § 6-81-1301(a), concerning the administration and purpose of the University Assisted Teacher Recruitment and Retention Grant Program, is amended to read as follows:

(a) There is established the University Assisted Teacher Recruitment and Retention Grant Program within the ~~Department~~ Division of Higher Education.

SECTION 1022. Arkansas Code § 6-81-1301(c), concerning the

administration and purpose of the University Assisted Teacher Recruitment and Retention Grant Program, is amended to read as follows:

(c)(1) Any institution of higher education in the State of Arkansas which offers a Master of Education degree may apply to the ~~Department~~ Division of Higher Education for participation in the program.

(2) Under the program, participating institutions shall collaborate with the ~~Department of Education~~ Division of Elementary and Secondary Education to identify, recruit, and place teacher education graduates, from both within the state and out of state, in school districts situated within those areas of the state where there exists a critical shortage of teachers, as designated by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 1023. Arkansas Code § 6-81-1301(d)(1), concerning the administration and purpose of the University Assisted Teacher Recruitment and Retention Grant Program, is amended to read as follows:

(d)(1) The ~~Department~~ Division of Higher Education shall provide funds to participating institutions of higher learning for the purpose of awarding scholarships to qualified persons pursuing a Master of Education degree at participating institutions while rendering service to the state as a licensed teacher in a school district in a geographical area of the state where there exists a critical shortage of teachers, as approved by the State Board of Education.

SECTION 1024. Arkansas Code § 6-81-1301(h)(2), concerning the administration and purpose of the University Assisted Teacher Recruitment and Retention Grant Program, is amended to read as follows:

(2) The ~~Department~~ Division of Higher Education shall promulgate rules and regulations necessary for the administration of the relocation expense reimbursement component of the program.

SECTION 1025. Arkansas Code § 6-81-1301(l)(1), concerning the administration and purpose of the University Assisted Teacher Recruitment and Retention Grant Program, is amended to read as follows:

(l)(1)(A) Students receiving an award from the program shall execute a note made payable to the ~~Department~~ Division of Higher Education for an

amount equal to the award each semester that shall bear interest at the rate of ten percent (10%) per year beginning September 1 after completion of the program or immediately after termination of the student's participation in the program, whichever is earlier.

(B) Students in the program who receive reimbursement for moving expenses under subsection (h) of this section shall execute a note made payable to the ~~Department of Education~~ Division of Elementary and Secondary Education for an amount equal to the reimbursement that shall bear interest at the rate of ten percent (10%) per year.

SECTION 1026. Arkansas Code § 6-81-1301(m)-(p), concerning the administration and purpose of the University Assisted Teacher Recruitment and Retention Grant Program, are amended to read as follows:

(m) All funds received by the ~~Department of Education~~ Division of Elementary and Secondary Education from the repayment of scholarship awards and relocation expenses by program participants shall be deposited in the fund that provides funding for the program.

(n) The ~~Department~~ Division of Higher Education shall promulgate rules and regulations necessary for the proper administration of the program.

(o) The requirements of this section are contingent on the funding available for the program.

(p) The ~~Department~~ Division of Higher Education is authorized to determine the necessary procedures for the awarding of grants should the number of eligible applicants and recipients exceed the funds available.

SECTION 1027. Arkansas Code § 6-81-1602 is amended to read as follows:

6-81-1602. Definitions.

As used in this subchapter:

(1) "Approved institution" means a state-supported institution of higher education, a nursing school, or a private nonprofit institution of higher education that:

(A) Maintains its Elementary headquarters in the state;

(B) Is eligible to receive Title IV federal student aid program funds; and

(C) Is approved by the ~~Department~~ Division of Higher Education as eligible to participate in the State Teacher Education Program;

(2) "Eligible student" means a student who:

(A) Meets the criteria set out in this subchapter; and

(B) Is found to be eligible by rules promulgated by the ~~Department~~ Division of Higher Education; and

(3) "Teacher education program" means a program administered by the ~~Department~~ Division of Higher Education that provides loan repayments to a licensed teacher who teaches in a subject area or a geographic area with teacher shortage as determined by the ~~Department~~ Division of Higher Education in consultation with the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 1028. Arkansas Code § 6-81-1604 is amended to read as follows:

6-81-1604. Administration of the program.

(a) The State Teacher Education Program shall be administered by the ~~Department~~ Division of Higher Education.

(b) The ~~department~~ division shall adopt standards for awarding the loan repayments to a public school teacher with an Arkansas teacher's license teaching in a:

(1) Subject area with a teacher shortage; or

(2) Geographic area with teacher shortage.

(c) The requirements of this subchapter are contingent on the funding available for the program.

(d) The ~~department~~ division may determine the necessary procedures for awarding the loan repayments if the number of eligible applicants and recipients exceeds available funding.

SECTION 1029. Arkansas Code § 6-81-1605 is amended to read as follows:

6-81-1605. Eligibility.

To be eligible for the State Teacher Education Program, an applicant shall:

(1) Teach full-time at a public school district in a subject area or geographic area with a teacher shortage, as identified by the ~~Department~~ Division of Higher Education in consultation with the ~~Department of Education~~ Division of Elementary and Secondary Education;

(2) Hold a valid Arkansas teacher's license; and

(3) Meet additional continuing eligibility criteria established

by the ~~Department~~ Division of Higher Education.

SECTION 1030. Arkansas Code § 6-81-1606 is amended to read as follows:

6-81-1606. Duration — Amount.

(a) The State Teacher Education Program shall be used to provide a loan repayment for federal student loans in the amount of:

(1) Three thousand dollars ($3,000) per year for a maximum of three (3) years for a licensed teacher who graduated from a teacher education program after April 2004 and teaches in a public school in this state:

(A) In a subject area designated by the ~~Department~~ Division of Higher Education in consultation with the ~~Department of Education~~ Division of Elementary and Secondary Education as having a critical shortage of teachers; or

(B) Located in a geographical area of the state designated by the ~~Department~~ Division of Higher Education in consultation with the ~~Department of Education~~ Division of Elementary and Secondary Education as having a critical shortage of teachers; and

(2) An additional one thousand dollars ($1,000) per year for a maximum of three (3) years for a licensed teacher who is a minority and who graduated from a teacher education program after April 2004 and teaches in a public school in this state.

(b) The ~~Department~~ Division of Higher Education may spend no more than fifty thousand dollars ($50,000) annually for costs associated with the administration of the program.

(c) The ~~Department~~ Division of Higher Education shall promulgate rules necessary for the implementation of this subchapter.

SECTION 1031. Arkansas Code § 6-81-1701 is amended to read as follows:

6-81-1701. Establishment — Administration.

There is established a Teacher Candidate Loan Forgiveness Program to be administered by the ~~Department~~ Division of Higher Education.

SECTION 1032. Arkansas Code § 6-81-1702(a)(4) and (5), concerning eligibility for loan amounts and terms for financing the cost of attendance at an institution of higher education, is amended to read as follows:

(4) Is majoring in a degree program that will lead to the

individual's becoming eligible for licensure as a teacher in a high-needs subject area as identified by the ~~Department of Education~~ Division of Elementary and Secondary Education; and

(5) Has entered into a written agreement with the ~~Department~~ Division of Higher Education to:

(A) Teach for five (5) consecutive years in a school or school district located in a geographic area identified by the ~~Department of Education~~ Division of Elementary and Secondary Education under § 6-15-403 [repealed] as a critical teacher shortage area beginning immediately upon obtaining licensure; and

(B) Repay each loan at an interest rate and on a schedule as determined by the ~~Department~~ Division of Higher Education if the individual fails to meet the requirements under this subchapter.

SECTION 1033. Arkansas Code § 6-81-1702(b), concerning eligibility for loan amounts and terms for financing the cost of attendance at an institution of higher education, is amended to read as follows:

(b) If the amount of funds available for the Teacher Candidate Loan Forgiveness Program is insufficient to award loans to all qualified applicants under this subchapter, the ~~Department~~ Division of Higher Education shall award the loans on a competitive basis as determined by the ~~Department~~ Division of Higher Education.

SECTION 1034. Arkansas Code § 6-81-1703(b)(2)(B), concerning loan amounts, terms, and renewals, is amended to read as follows:

(B) Meets the satisfactory academic progress standards required to receive other financial aid at the institution of higher education where the individual is enrolled, as determined by the ~~Department~~ Division of Higher Education in conjunction with the institution of higher education.

SECTION 1035. Arkansas Code § 6-81-1704 is amended to read as follows:

6-81-1704. Loan contract — Forgiveness.

(a) An individual who receives a loan under this subchapter shall execute a written loan contract with the ~~Department~~ Division of Higher Education for the repayment of the loan as provided in this subchapter.

(b) A loan contract executed under subsection (a) of this section shall provide that the total amount of the loans awarded to the individual under this subchapter, plus accrued interest, shall be forgiven at the rate of twenty percent (20%) per year for each year that the individual teaches in a school or school district located in a geographic area identified by the ~~Department of Education~~ Division of Elementary and Secondary Education under § 6-15-403 [repealed] as a critical teacher shortage area.

SECTION 1036. Arkansas Code § 6-81-1705 is amended to read as follows:

6-81-1705. Repayment — Deferment.

(a) An individual who receives a loan under this subchapter shall immediately begin repayment of each loan the individual received, together with interest as determined by the ~~Department~~ Division of Higher Education, if the individual:

(1) Ceases to be enrolled in good standing at an institution of higher education in this state, unless the individual has graduated and received a degree;

(2) Does not obtain licensure as a teacher from the State Board of Education within one (1) year of graduating and receiving a degree;

(3) Does not begin work as a licensed teacher in the academic year immediately following becoming licensed;

(4) Does not teach in a school or school district located in a geographic area identified by the ~~Department of Education~~ Division of Elementary and Secondary Education under § 6-15-403 [repealed] as a critical teacher shortage area in the individual's first year as a licensed teacher; or

(5)(A) Does not teach in a school or school district located in a geographic area identified by the ~~Department of Education~~ Division of Elementary and Secondary Education under § 6-15-403 [repealed] as a critical teacher shortage area for five (5) consecutive years beginning immediately upon obtaining licensure.

(B) The total amount of the loans awarded to an individual that are subject to repayment under subdivision (a)(5)(A) of this section shall be reduced on a pro rata basis as required under § 6-81-1704(b).

(b)(1) The ~~Department~~ Division of Higher Education may defer the requirements under subdivisions (a)(3)-(5) of this section if the ~~Department~~

Division of Higher Education, in consultation with the ~~Department of Education~~ Division of Elementary and Secondary Education, determines that there was no employment position available that would reasonably enable the individual to meet the requirements.

(2) After the period of deferral, the individual shall begin or resume teaching in a school or school district located in a geographic area identified by the ~~Department of Education~~ Division of Elementary and Secondary Education under § 6-15-403 [repealed] as a critical teacher shortage area or become subject to repayment under subsection (a) of this section.

SECTION 1037. Arkansas Code § 6-81-1706 is amended to read as follows:

6-81-1706. Rules.

The ~~Department~~ Division of Higher Education shall promulgate rules to implement this subchapter.

SECTION 1038. Arkansas Code § 6-82-102(a), concerning the annual review of minority scholarship or grant programs, is amended to read as follows:

(a) The Arkansas Higher Education Coordinating Board shall review annually all minority scholarship or grant programs administered by the ~~Department~~ Division of Higher Education in order to ensure that the programs are in compliance with federal regulations.

SECTION 1039. The introductory language of Arkansas Code § 6-82-105, concerning the administration and authority of the Department of Higher Education, is amended to read as follows:

The ~~Department~~ Division of Higher Education shall administer all state college financial assistance programs provided by legislation or by law and in so doing shall have the following authority and responsibility with respect to state college financial assistance programs provided by legislation or by law to:

SECTION 1040. Arkansas Code § 6-82-105(1), concerning the administration and authority of the Department of Higher Education, is amended to read as follows:

(1) Adopt such rules as the ~~department~~ division shall deem necessary or appropriate to carry out the purposes of this subchapter;

SECTION 1041. Arkansas Code § 6-82-105(6), concerning the administration and authority of the Department of Higher Education, is amended to read as follows:

(6) Require applicants to file additional information with the ~~department~~ division as necessary and appropriate to carry out the purposes of this subchapter and to prevent fraud, misrepresentation, or misleading representation by applicants;

SECTION 1042. Arkansas Code § 6-82-105(11), concerning the administration and authority of the Department of Higher Education, is amended to read as follows:

(11) Employ or engage such professional, administrative, clerical, and other employees as may be necessary to assist the ~~department~~ division in the performance of its duties and responsibilities; and

SECTION 1043. Arkansas Code § 6-82-106 is amended to read as follows:

6-82-106. Scholarship awards.

(a) The ~~Department~~ Division of Higher Education is authorized to award scholarships to students who are accepted to a Washington, D.C. public policy academic internship, as determined by the ~~department~~ division, if funding is appropriated and available.

(b) The ~~department~~ division may promulgate rules to administer this section.

SECTION 1044. Arkansas Code § 6-82-302(1), concerning the definition of "academic ability" under the laws governing the Arkansas Governor's Scholars Program, is amended to read as follows:

(1) "Academic ability" means the intellectual standing of a student. In determining superior academic ability, the ~~Department~~ Division of Higher Education shall examine the student's high school records, competitive examination scores, and demonstrated leadership capabilities;

SECTION 1045. Arkansas Code § 6-82-302(4), concerning the definition

of "department" under the laws governing the Arkansas Governor's Scholars Program, is amended to read as follows:

(4) "~~Department~~ Division" means the ~~Department~~ Division of Higher Education;

SECTION 1046. The introductory language of Arkansas Code § 6-82-302(5), concerning the definition of "eligible student" under the laws governing the Arkansas Governor's Scholars Program, is amended to read as follows:

(5) "Eligible student" means a resident of the State of Arkansas as defined by the ~~Department~~ Division of Higher Education who:

SECTION 1047. Arkansas Code § 6-82-302(6)(B), concerning the definition of "extraordinary academic ability" under the laws governing the Arkansas Governor's Scholars Program, is amended to read as follows:

(B) For students graduating after December 31, 2001, the American College Test scores and Scholastic Aptitude Test scores shall be earned by December 31 prior to the application deadline in order for the scores to be considered by the ~~department~~ Division of Higher Education for a scholarship award;

SECTION 1048. Arkansas Code § 6-82-302(7), concerning the definition of "full-time student" under the laws governing the Arkansas Governor's Scholars Program, is amended to read as follows:

(7) "Full-time student" means a resident of Arkansas who is in attendance at an approved private or public institution and who is enrolled in at least twelve (12) credit hours the first semester and fifteen (15) hours thereafter, or other reasonable academic equivalent as defined by the ~~department~~ Division of Higher Education;

SECTION 1049. The introductory language of Arkansas Code § 6-82-304, concerning the administration and authority of the Department of Higher Education, is amended to read as follows:

The ~~Department~~ Division of Higher Education shall administer the Arkansas Governor's Scholars Program and shall have the following authority and responsibility with respect to the program to:

SECTION 1050. Arkansas Code § 6-82-304(1), concerning the administration and authority of the Department of Higher Education, is amended to read as follows:

(1) Prepare application forms or such other forms as the ~~department~~ division shall deem necessary to properly administer and carry out the purposes of this subchapter;

SECTION 1051. Arkansas Code § 6-82-304(8)(D)(iii), concerning the administration and authority of the Department of Higher Education, is amended to read as follows:

(iii) The ~~department~~ division shall release a scholarship hold if the ~~department~~ division determines that the student did not complete the commitment under the written agreement.

SECTION 1052. Arkansas Code § 6-82-306(b)(2)(A), concerning eligibility to receive scholarships from the Arkansas Governor's Scholars Program, is amended to read as follows:

(2)(A) Is a bona fide resident of the state, as defined by the ~~Department~~ Division of Higher Education.

SECTION 1053. Arkansas Code § 6-82-306(b)(5)(A), concerning eligibility to receive scholarships from the Arkansas Governor's Scholars Program, is amended to read as follows:

(5)(A) Demonstrates proficiency in the application of knowledge and skills in reading and writing literacy and mathematics by passing the end-of-course examination as may be developed by the ~~Department of Education~~ Division of Elementary and Secondary Education and as may be designated by the ~~Department~~ Division of Higher Education for this purpose.

SECTION 1054. The introductory language of Arkansas Code § 6-82-306(b)(6)(A), concerning eligibility to receive scholarships from the Arkansas Governor's Scholars Program, is amended to read as follows:

(6)(A) Satisfies the qualifications of superior academic ability as established by the ~~Department~~ Division of Higher Education with criteria consisting of value points for academic achievement and leadership, including

without limitation:

SECTION 1055. Arkansas Code § 6-82-306(b)(6)(B), concerning eligibility to receive scholarships from the Arkansas Governor's Scholars Program, is amended to read as follows:

(B)(i) The ~~Department~~ Division of Higher Education may alter the weight assigned to the individual criterion to more appropriately meet the needs of the state as determined by the Arkansas Higher Education Coordinating Board.

(ii) The ~~Department~~ Division of Higher Education shall ensure that the weight assigned to each individual criterion under this subdivision (b)(6)(B) does not place a home-schooled, public school, or private school student at a disadvantage.

(iii)(a) After determining qualified recipients based on the qualifications under subdivision (b)(6)(A) of this section, the ~~Department~~ Division of Higher Education shall ensure that at least one (1) recipient is selected from each of the seventy-five (75) counties in Arkansas.

(b) If any of the seventy-five (75) counties is not represented, the ~~Department~~ Division of Higher Education shall select a student from each nonrepresented county with the highest qualifications under subdivision (b)(6)(A) of this section who was not initially qualified.

SECTION 1056. Arkansas Code § 6-82-307 is amended to read as follows:

6-82-307. Applicant's responsibilities.

Each applicant shall, in accordance with the provisions of this subchapter and the rules and regulations of the ~~Department~~ Division of Higher Education:

(1) Complete and file with the ~~department~~ division the appropriate application for the Arkansas Governor's Scholars Program and such other information and data as may be requested by the ~~department~~ division in determining the eligibility of the student;

(2) Furnish to the ~~department~~ division information regarding any change in status of the student or any other information that might have a direct bearing on the eligibility of the applicant; and

(3) Provide the ~~department~~ division with verification that the

scholarship was used in accordance with the purposes of this subchapter.

SECTION 1057. Arkansas Code § 6-82-308(b)(2) and (3), concerning the number of scholarships available for the Arkansas Governor's Scholars Program, are amended to read as follows:

(2) Should a shortfall of funds be projected, the ~~Department~~ Division of Higher Education shall promulgate rules for the priority funding of these scholarships and submit these proposed rules to the Arkansas Higher Education Coordinating Board for a public hearing and to the Administrative Rules and Regulations Subcommittee of the Legislative Council for review before implementing the rules.

(3) If there are more eligible applicants than available scholarships, the ~~department~~ division may determine a procedure for awarding additional scholarships while not exceeding available funds.

SECTION 1058. Arkansas Code § 6-82-309 is amended to read as follows:

6-82-309. Award of scholarship.

An Arkansas Governor's Scholarship or Arkansas Governor's Distinguished Scholarship will be awarded to a student in a manner to be determined by the ~~Department~~ Division of Higher Education.

SECTION 1059. Arkansas Code § 6-82-311(c)(4), concerning the term, renewal, and allocation of scholarships for the Arkansas Governor's Scholars Program, is amended to read as follows:

(4) The recipient has met any other continuing eligibility criteria established by the ~~Department~~ Division of Higher Education.

SECTION 1060. Arkansas Code § 6-82-314 is amended to read as follows:

6-82-314. Withdrawal from school — Refund.

If a recipient of an Arkansas Governor's Scholarship or Arkansas Governor's Distinguished Scholarship withdraws from an approved private or public institution and under the policy of that institution the student is entitled to a refund of any tuition, fees, or other charges, the institution shall pay the refund to which the student may be entitled to the ~~Department~~ Division of Higher Education to the extent of any amount the ~~department~~ division has paid to the student for that academic year.

SECTION 1061. Arkansas Code § 6-82-401(1)-(4), concerning the definitions under the Arkansas High Technology Scholarship Program, are amended to read as follows:

(1) "Academic ability" means the intellectual standing of a student. In determining superior academic ability, the ~~Department~~ Division of Career and Technical Education shall examine the student's high school records, competitive examination scores, and demonstrated leadership capabilities;

(2) "Approved high technology program" means a course of instruction in a highly technical field offered by any postsecondary educational institution which is approved by the ~~department~~ division;

(3) "Approved institution" means all postsecondary educational institutions offering high technology programs which are approved by the ~~department~~ division;

(4) "~~Department~~ Division" means the ~~Department~~ Division of Career and Technical Education;

SECTION 1062. The introductory language of Arkansas Code § 6-82-403, concerning the administration and authority of the Department of Career Education, is amended to read as follows:

The ~~Department~~ Division of Career and Technical Education shall administer this subchapter and shall have the following authority and responsibility with respect thereto:

SECTION 1063. Arkansas Code § 6-82-403(1), concerning the administration and authority of the Department of Career Education, is amended to read as follows:

(1) To prepare application forms or such other forms as the ~~department~~ division shall deem necessary to properly administer and carry out the purposes of this subchapter;

SECTION 1064. Arkansas Code § 6-82-404(b)(4), concerning the eligibility and preferences regarding the rewarding of scholarships, is amended to read as follows:

(4) Satisfactorily meets the qualifications of superior academic

ability as established by the ~~Department~~ Division of Career and Technical Education.

SECTION 1065. Arkansas Code § 6-82-405 is amended to read as follows:

6-82-405. Applicant's responsibilities.

Each applicant shall, in accordance with the provisions of this subchapter and the rules and regulations of the ~~Department~~ Division of Career and Technical Education:

(1) Complete and file with the ~~department~~ division the appropriate application for the scholarship and such other information and data as may be requested by the ~~department~~ division in determining the eligibility of the student;

(2) Furnish to the ~~department~~ division information regarding any change in status of the student or any other information that might have a direct bearing on the eligibility of the applicant; and

(3) Provide the ~~department~~ division with verification that the scholarship was used in accordance with the purposes of this subchapter.

SECTION 1066. Arkansas Code § 6-82-406 is amended to read as follows:

6-82-406. Award of scholarship.

A scholarship shall be awarded to the student in a manner to be determined by the ~~Department~~ Division of Career and Technical Education.

SECTION 1067. Arkansas Code § 6-82-409(c), concerning the term, allocation, and renewal of scholarships, is amended to read as follows:

(c) A scholarship shall be awarded for one (1) academic year and renewed annually for up to three (3) additional academic years if the student maintains not less than a 3.0 grade point average on a 4.0 scholastic grading scale, or an equivalent academic standing, and meets other criteria as established by the ~~Department~~ Division of Career and Technical Education.

SECTION 1068. Arkansas Code § 6-82-410 is amended to read as follows:

6-82-410. Withdrawal from school — Refund.

If a recipient of a scholarship withdraws from an approved institution and under the policy of that institution the student is entitled to a refund of any tuition, fees, or other charges, the institution shall pay the refund

to which the student may be entitled to the ~~Department~~ Division of Career and Technical Education, to the extent of any amount the ~~department~~ division has paid to the student for that academic year.

SECTION 1069. Arkansas Code § 6-82-506 is amended to read as follows:

6-82-506. Written application for benefits.

Any person claiming benefits awarded by the Arkansas State Claims Commission under the provisions of this subchapter shall make written application with the ~~Department~~ Division of Higher Education on forms provided by the ~~department~~ division.

SECTION 1070. Arkansas Code § 6-82-507(2), concerning the renewal of a scholarship, is amended to read as follows:

(2) Meet any other continuing eligibility criteria established by the ~~Department~~ Division of Higher Education.

SECTION 1071. Arkansas Code § 6-82-601(b), concerning the tuition waiver for dependents of certain veterans, is amended to read as follows:

(b) Each applicant must apply for the Survivors' and Dependents' Educational Assistance program (DEA) Chapter 35 of Title 38 of the United States Code with the United States Department of Veterans Affairs. The applicant must provide the ~~Arkansas Department~~ Division of Higher Education with proof of acceptance of DEA or non-eligibility into DEA upon application to this program.

SECTION 1072. Arkansas Code § 6-82-601(f), concerning the tuition waiver for dependents of certain veterans, is amended to read as follows:

(f) An eligible recipient shall receive a scholarship for one (1) academic year, renewable for up to three (3) additional academic years if the recipient meets continuing eligibility criteria established by the ~~Department~~ Division of Higher Education.

SECTION 1073. Arkansas Code § 6-82-601(h), concerning tuition waiver for dependents of certain veterans, is amended to read as follows:

(h) In compliance with the ~~Department~~ Division of Higher Education's scholarship stacking policy, no student's total financial aid package, which

can include multiple scholarships, can exceed the recognized cost of attendance at a higher education institution.

SECTION 1074. Arkansas Code § 6-82-1503(e)(3), concerning the eligibility for scholarships and the amount, is amended to read as follows:

(3) The maximum number of awards that may be made to students attending school on a part-time basis and the maximum time period for part-time students to complete the number of academic hours necessary to obtain a baccalaureate degree in education shall be established by rules and regulations jointly promulgated by the university and the ~~Department~~ Division of Higher Education.

SECTION 1075. Arkansas Code § 6-82-1504(a), concerning the service requirement for scholarship recipients, is amended to read as follows:

(a) Except in those cases where employment positions may not be available upon completion of licensure requirements, at the beginning of the first school year in which a recipient of a Critical Needs Minority Teacher Scholarship is eligible for employment as a licensed teacher, that person shall begin to render service as a licensed teacher in a public school district in a geographical area of the state where there is a critical shortage of teachers or in the Delta, as designated by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 1076. Arkansas Code § 6-82-1504(c), concerning the service requirement for scholarship recipients, is amended to read as follows:

(c) Students receiving a scholarship shall execute a note made payable to the university for an amount equal to the scholarship award each semester that shall bear interest at a rate to be determined by the ~~Department~~ Division of Higher Education beginning September 1 after completion of the program or immediately after termination of the scholarship loan, whichever is earlier.

SECTION 1077. Arkansas Code § 6-82-1505(a), concerning rules, regulations, administration, and reports regarding the Critical Needs Minority Teacher Scholarship Program, is amended to read as follows:

(a) The University of Arkansas at Pine Bluff and the ~~Department~~

Division of Higher Education shall jointly promulgate rules and regulations necessary for the proper administration of the Critical Needs Minority Teacher Scholarship Program.

SECTION 1078. The introductory language of Arkansas Code § 6-82-1801(1), concerning the definition of "approved institution of higher education" under the laws governing the Arkansas Future Grant Program, is amended to read as follows:

(1) "Approved institution of higher education" means an institution of higher education approved by the ~~Department~~ Division of Higher Education to participate in the Arkansas Future Grant Program and that is:

SECTION 1079. Arkansas Code § 6-82-1801(2)(E), concerning the definition of "approved state-supported school of nursing" under the laws governing the Arkansas Future Grant Program, is amended to read as follows:

(E) Has been approved by the ~~Department~~ Division of Higher Education as eligible to participate in the Arkansas Future Grant Program; and

SECTION 1080. Arkansas Code § 6-82-1801(5)(A), concerning the definition of "state-supported student financial assistance" under the laws governing the Arkansas Future Grant Program, is amended to read as follows:

(A) The ~~Department~~ Division of Higher Education; or

SECTION 1081. Arkansas Code § 6-82-1802(a), concerning the creation of and eligibility for the Arkansas Future Grant Program, is amended to read as follows:

(a) There is established the Arkansas Future Grant Program within the ~~Department~~ Division of Higher Education.

SECTION 1082. Arkansas Code § 6-82-1802(b)(1)(A)(ii), concerning the creation of and eligibility for the Arkansas Future Grant Program, is amended to read as follows:

(ii) Received a high school equivalency diploma approved by the ~~Department of Career Education~~ Adult Education Section of the Department of Workforce Services; or

SECTION 1083. Arkansas Code § 6-82-1803(b) and (c), concerning the Arkansas Future Grant, are amended to read as follows:

(b) The ~~Department~~ Division of Higher Education shall disburse the grant directly to the approved institution of higher education.

(c) The ~~department~~ division shall award grants under this subchapter in the order in which the ~~department~~ division receives applications from eligible students.

SECTION 1084. Arkansas Code § 6-82-1804 is amended to read as follows:

6-82-1804. Recipients.

(a) A student who receives an Arkansas Future Grant shall enter into a written agreement with the ~~Department~~ Division of Higher Education to:

(1)(A) Receive monthly mentoring from a mentor from an organization determined by the ~~Department~~ Division of Higher Education.

(B) A mentor under subdivision (a)(1)(A) of this section shall:

(i) Receive annual mentoring training:

(a) Developed by the ~~Department~~ Division of Higher Education; and

(b) Provided by a local volunteer group approved by the ~~Department~~ Division of Higher Education; and

(ii) Certify to the ~~Department~~ Division of Higher Education that at least one (1) time each calendar month the mentor has provided mentoring services by telephone, email, or in person to each student he or she is mentoring;

(2)(A) Complete at least fifteen (15) hours of community service each semester the student receives a grant.

(B)(i) A student may select a community service project that meets requirements developed by the ~~Department~~ Division of Higher Education.

(ii) An approved institution of higher education may provide community services opportunities designed to benefit the approved institution of higher education community or the broader local community.

(C) A student shall certify his or her community service to the approved institution of higher education by the last regular day of

the semester the student received the grant; and

(3)(A) Reside in this state for three (3) consecutive years and be employed beginning within six (6) months after receiving an associate degree or a certification.

(B) The ~~Department~~ Division of Higher Education may defer the requirement under subdivision (a)(3)(A) of this section if:

(i) The ~~Department~~ Division of Higher Education, in consultation with the ~~Department~~ Division of Workforce Services, determines that there was no employment position available that would reasonably enable the student to meet this requirement; or

(ii) Special circumstances as determined by the ~~Department~~ Division of Higher Education exist.

(C) After the period of deferral, the student shall begin or resume working in this state or become subject to repayment under subsection (b) of this section.

(b) The written agreement under subsection (a) of this section shall provide that the grant converts into a loan and the student shall repay the grant amount:

(1) On a pro rata basis at an interest rate and on a schedule as determined by the ~~Department~~ Division of Higher Education for each year the student does not reside in this state for three (3) consecutive years and become employed beginning within six (6) months after receiving an associate degree or a certification; or

(2) In its entirety at an interest rate and on a schedule as determined by the ~~Department~~ Division of Higher Education if the recipient does not comply with the written agreement under subsection (a) of this section.

SECTION 1085. Arkansas Code § 6-82-1805 is amended to read as follows:

6-82-1805. Rules.

The ~~Department~~ Division of Higher Education shall promulgate rules to implement this subchapter.

SECTION 1086. Arkansas Code § 6-82-1901(b)(3), concerning scholarships for teachers in high-needs subject areas, is amended to read as follows:

(3)(A) Enter into a written agreement with the ~~Department~~

Division of Higher Education to teach at a public school for a minimum of five (5) consecutive years in a high-needs subject area as determined under subdivision (b)(3)(B) of this section.

(B) A recipient shall be deemed to be teaching in a high-needs subject area if the subject area in which the recipient is employed to teach was determined by the ~~Department of Education~~ Division of Elementary and Secondary Education to be a high-needs subject area in:

(i) The year the recipient entered into the agreement with the ~~Department~~ Division of Higher Education under subdivision (b)(3)(A) of this section;

(ii) Any year the recipient received a scholarship award under this subchapter; or

(iii) The year the recipient is licensed as a teacher by the State Board of Education.

SECTION 1087. The introductory language of Arkansas Code § 6-82-1901(c), concerning scholarships for teachers in high-needs subject areas, is amended to read as follows:

(c) The written agreement entered into by the recipient and the ~~Department~~ Division of Higher Education under subdivision (b)(3) of this section shall provide that the recipient:

SECTION 1088. Arkansas Code § 6-82-1901(c)(2)(A), concerning scholarships for teachers in high-needs subject areas, is amended to read as follows:

(A) On a pro rata basis at an interest rate and on a schedule as determined by the ~~Department~~ Division of Higher Education for each year the recipient does not teach at a public school in a high-needs subject area if the recipient does not teach at a public school in a high-needs subject area as determined by the ~~Department of Education~~ Division of Elementary and Secondary Education for five (5) consecutive years after first becoming employed as a licensed teacher; or

SECTION 1089. The introductory language of Arkansas Code § 6-82-1901(c)(2)(B), concerning scholarships for teachers in high-needs subject areas, is amended to read as follows:

(B) In its entirety at an interest rate and on a schedule as determined by the ~~Department~~ Division of Higher Education if the recipient does not:

SECTION 1090. Arkansas Code § 6-82-1901(c)(2)(B)(ii) and (iii), concerning scholarships for teachers in high-needs subject areas, are amended to read as follows:

(ii) Begin work at a public school as a licensed teacher in a high-needs subject area, as determined by the ~~Department of Education~~ Division of Elementary and Secondary Education, in the academic year immediately following becoming licensed; or

(iii) Teach at a public school in a high-needs subject area as determined by the ~~Department of Education~~ Division of Elementary and Secondary Education in the recipient's first year as a licensed teacher.

SECTION 1091. Arkansas Code § 6-82-1901(d)(1), concerning scholarships for teachers in high-needs subject areas, is amended to read as follows:

(d)(1) The ~~Department~~ Division of Higher Education may defer the requirements under subdivisions (c)(2)(B)(ii) and (iii) of this section if the ~~Department~~ Division of Higher Education, in consultation with the ~~Department of Education~~ Division of Elementary and Secondary Education, determines that there was no employment position available at a public school that would reasonably enable the recipient to meet the requirements.

SECTION 1092. Arkansas Code § 6-82-1901(e)-(h), concerning scholarships for teachers in high-needs subject areas, are amended to read as follows:

(e)(1) By March 1 of each year, the ~~Department of Education~~ Division of Elementary and Secondary Education shall provide to the ~~Department~~ Division of Higher Education a maximum on the number of scholarships that should be awarded under this subchapter for the following academic year based on the projected needs of licensed teachers at public schools in high-needs subject areas.

(2) The ~~Department~~ Division of Higher Education shall not award for an academic year more scholarships than the maximum number provided by

the ~~Department of Education~~ Division of Elementary and Secondary Education under subdivision (e)(1) of this section.

(f) If the ~~Department~~ Division of Higher Education receives applications from more qualified applicants than the number of scholarships available or if funds are not available to award scholarships to all qualified applicants, the ~~Department~~ Division of Higher Education shall award the scholarships on a competitive basis as determined by the ~~Department~~ Division of Higher Education.

(g) If a recipient of a scholarship under this subchapter withdraws from an approved institution of higher education so that under the rules of that approved institution of higher education the recipient is entitled to a refund of any tuition, fees, or other charges, the approved institution of higher education shall pay the refund to which the recipient may be entitled to the ~~Department~~ Division of Higher Education to the extent of any amount the ~~Department~~ Division of Higher Education has paid to the recipient for that academic year.

(h) The ~~Department~~ Division of Higher Education shall promulgate rules to implement this subchapter.

SECTION 1093. Arkansas Code § 6-84-104(b), concerning the creation of the Arkansas Tax-Deferred Tuition Savings Program Trust, is amended to read as follows:

(b) The co-trustees of the trust shall be the Director of the ~~Department~~ Division of Higher Education, the Executive Director of the Arkansas Teacher Retirement System, and the Treasurer of State.

SECTION 1094. Arkansas Code § 6-84-105(a)(1), concerning the administration, authority, and powers of the Section 529 Plan Review Committee, is amended to read as follows:

(1) The Director of the ~~Department~~ Division of Higher Education;

SECTION 1095. The introductory language of Arkansas Code § 6-85-104(1), concerning the definition of "approved institution" under the laws governing the Arkansas Academic Challenge Scholarship Program — Part 1, is amended to read as follows:

(1) “Approved institution” means an institution of higher

education approved by the ~~Department~~ Division of Higher Education to participate in the Arkansas Academic Challenge Scholarship Program that is:

SECTION 1096. Arkansas Code § 6-85-104(2)(B), concerning the definition of "eligible student" under the laws governing the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(B) Is deemed to be eligible by rules authorized by this subchapter and promulgated by the ~~Department~~ Division of Higher Education;

SECTION 1097. Arkansas Code § 6-85-104(3), concerning the definition of "financial need" under the laws governing the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(3) “Financial need” means the family income of program applicants as determined by the ~~Department~~ Division of Higher Education through evaluation of program applications and supporting documentation;

SECTION 1098. Arkansas Code § 6-85-104(4)(A), concerning the definition of "full-time undergraduate student" under the laws governing the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(4)(A) “Full-time undergraduate student” means a resident of Arkansas who attends an approved institution and who is enrolled for at least twelve (12) credit hours the first semester and fifteen (15) credit hours thereafter or the equivalent, as defined by the ~~Department~~ Division of Higher Education, in a program of study that leads to or is creditable toward a baccalaureate degree, an associate degree in nursing, or a nursing school diploma.

SECTION 1099. Arkansas Code § 6-85-105 is amended to read as follows:

6-85-105. Authority of ~~Department~~ Division of Higher Education.

(a) The ~~Department~~ Division of Higher Education is authorized by this subchapter to develop and promulgate rules for the administration of the Arkansas Academic Challenge Scholarship Program, consistent with the purposes and requirements of this subchapter.

(b) The rules shall include student eligibility criteria based on the provisions of this subchapter, the method for selecting scholarship

recipients, rules for determining continuing eligibility, procedures for making payment to recipients, and other administrative procedures that may be necessary for the implementation and operation of the program.

(c) Until the end of fiscal year 2011, the ~~Department~~ Division of Higher Education is authorized to expend each year for data processing and other administrative costs of this program up to one and five-tenths percent (1.5%) of the amount appropriated for the programs.

(d) Applicants must certify that they are drug-free and must pledge in writing on the application form to refrain from the use or abuse of illegal substances in order to maintain eligibility for this program.

(e)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education are directed to develop appropriate informational materials on the Arkansas Academic Challenge Scholarship Program and to ensure their distribution to Arkansas students in grades seven through twelve (7-12) each year as part of the packet of materials on precollegiate preparation distributed by the ~~Department of Education~~ Division of Elementary and Secondary Education as mandated by § 6-61-217.

(2) The distribution of information shall be accomplished through the collaboration of school counselors and other appropriate school personnel.

(f) The Director of the ~~Department~~ Division of Higher Education is authorized to review and evaluate the operation of the program with regard to eligibility criteria and size of the scholarship award to ensure that the program's operation meets the intent of this subchapter.

(g) The ~~Department~~ Division of Higher Education is authorized to determine the necessary procedures for the awarding of scholarships should the number of eligible applicants exceed the funds available.

(h) The ~~Department~~ Division of Higher Education shall report to the General Assembly annually regarding the implementation of the provisions of this subchapter.

SECTION 1100. Arkansas Code § 6-85-106(a), concerning eligibility for the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(a) Eligibility for the Arkansas Academic Challenge Scholarship

Program is based on the criteria under this section and rules promulgated under this subchapter by the ~~Department~~ Division of Higher Education.

SECTION 1101. Arkansas Code § 6-85-106(b)(4), concerning eligibility for the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(4) The applicant is accepted for admission at an approved institution as a full-time first-time freshman as defined by the ~~Department~~ Division of Higher Education and enrolls in an approved institution within twelve (12) months of the applicant's high school graduation;

SECTION 1102. Arkansas Code § 6-85-106(b)(5)(B)(i) and (ii), concerning eligibility for the Arkansas Academic Challenge Scholarship Program, are amended to read as follows:

(i) Successfully completed the Smart Core curriculum as established by the ~~Department of Education~~ Division of Elementary and Secondary Education; and

(ii)(a) Demonstrated proficiency in the application of knowledge and skills in reading and writing literacy and mathematics by passing the end-of-course assessments developed by the ~~Department of Education~~ Division of Elementary and Secondary Education.

(b) "End-of-course" assessments means those assessments defined in § 6-15-419.

SECTION 1103. Arkansas Code § 6-85-106(b)(5)(C)(ii), concerning eligibility for the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(ii) A minimum composite score of nineteen (19) or higher on the American College Test or the equivalent as defined by the ~~Department~~ Division of Higher Education.

SECTION 1104. Arkansas Code § 6-85-106(b)(5)(D), concerning eligibility for the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(D)(i) The grade point average requirements of subdivision (b)(5)(C) of this section may be reduced to no lower than a 2.5 on a 4.0

scale by a rules change by the ~~Department~~ Division of Higher Education if it is determined by the ~~Department~~ Division of Higher Education, based on the most recent evaluation of the program's operation, that the change to a 3.0 or 2.75 grade point average on a 4.0 scale would unduly reduce the number of low-income or disadvantaged students who would otherwise be eligible for the program.

(ii) At the ~~Department~~ Division of Higher Education's discretion, the ~~Department~~ Division of Higher Education may make the reduction for admissions to institutions with a high percentage of students receiving full Pell Grants upon petition to the ~~Department~~ Division of Higher Education by the institution.

SECTION 1105. Arkansas Code § 6-85-106(b)(5)(E)(i), concerning eligibility for the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(E)(i) The ~~Department~~ Division of Higher Education may develop selection criteria through program rules that combine an applicant's American College Test or equivalent score and grade point average in the core curriculum into a selection index.

SECTION 1106. Arkansas Code § 6-85-106(b)(6)(A), concerning eligibility for the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(6)(A) An applicant shall demonstrate financial need as defined by the ~~Department~~ Division of Higher Education.

SECTION 1107. The introductory language of Arkansas Code § 6-85-106(b)(6)(B), concerning eligibility for the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(B) The ~~Department~~ Division of Higher Education shall use the following criteria in calculating financial need for applicants who graduated from an Arkansas high school after December 31, 2000, but before December 31, 2004:

SECTION 1108. Arkansas Code § 6-85-106(b)(6)(B)(iv), concerning eligibility for the Arkansas Academic Challenge Scholarship Program, is

amended to read as follows:

(iv) Any applicant whose family includes more than one (1) unemancipated child enrolled full time at an approved institution shall be entitled to an additional ten thousand dollars ($10,000) of adjusted gross income for each additional unemancipated child enrolled full time at an approved institution when the ~~Department~~ Division of Higher Education calculates financial need.

SECTION 1109. The introductory language of Arkansas Code § 6-85-106(b)(6)(C), concerning eligibility for the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(C) In calculating financial need for applicants who graduate from an Arkansas high school after December 31, 2006, a Free Application for Federal Student Aid or a subsequent application required by the United States Department of Education for federal financial aid shall be filed by the applicant or other proof of family income as defined by the ~~Department~~ Division of Higher Education. The following criteria shall be used:

SECTION 1110. Arkansas Code § 6-85-106(b)(6)(C)(iv), concerning eligibility for the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(iv) Any applicant whose family includes more than one (1) unemancipated child enrolled full time at an approved institution of higher education shall be entitled to an additional ten thousand dollars ($10,000) of adjusted gross income for each additional unemancipated child enrolled full time at an approved institution of higher education when the ~~Department~~ Division of Higher Education calculates financial need.

SECTION 1111. Arkansas Code § 6-85-106(c)(2), concerning eligibility for the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(2) Financial need criteria necessary for the selection of recipients, including those defined as emancipated or independent by federal student aid regulations, shall be established through rules issued by the ~~Department~~ Division of Higher Education.

SECTION 1112. Arkansas Code § 6-85-106(e)(2)(C), concerning eligibility for the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(C) Shall receive the prerequisite training in literacy and college readiness from an accredited Arkansas institution of higher education based on training modules developed by the ~~Department of Education~~ Division of Elementary and Secondary Education; and

SECTION 1113. Arkansas Code § 6-85-107(a)(3), concerning the duration and amount of the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(3) The recipient meets any other continuing eligibility criteria established by the ~~Department~~ Division of Higher Education.

SECTION 1114. Arkansas Code § 6-85-108 is amended to read as follows:

6-85-108. Nursing school eligibility.

(a)(1) The General Assembly recognizes that the State of Arkansas is experiencing a critical shortage of nurses.

(2) It is the intent of this section to allow the ~~Department~~ Division of Higher Education the opportunity to include associate degree granting and diploma schools of nursing in the Arkansas Academic Challenge Scholarship Program under specific circumstances.

(b) The ~~department~~ division shall make awards to applicants attending either an associate degree or diploma school preparing registered nurses that is approved by the Arkansas State Board of Nursing and which would not otherwise be an approved institution if:

(1) The nursing school is specifically recognized by the ~~department~~ division as a school of nursing eligible to participate in the Arkansas Academic Challenge Scholarship Program; and

(2) The recipient meets continuing eligibility requirements in § 6-85-106.

(c) The scholarships awarded to recipients under this section shall be subject to § 6-85-105(g).

(d) The Arkansas Higher Education Coordinating Board and the ~~department~~ division shall promulgate rules necessary for the implementation

of this section.

SECTION 1115. Arkansas Code § 6-85-109 is amended to read as follows:

6-85-109. Priority for teaching commitment.

(a) During times of funding shortages under the Arkansas Academic Challenge Scholarship Program, the ~~Department~~ Division of Higher Education shall give a priority to awards to applicants meeting all eligibility requirements under the program who agree to accept a forgivable loan, as set forth in this section, in lieu of a scholarship and who agree to teach, as required under § 6-85-110, in a:

(1) Subject matter area designated by the ~~Department of Education~~ Division of Elementary and Secondary Education as having a critical shortage of teachers; or

(2) Geographical area of the state designated by the ~~Department of Education~~ Division of Elementary and Secondary Education as having a critical shortage of teachers.

(b) The ~~Department~~ Division of Higher Education shall make awards under this subchapter as follows:

(1) First, to applicants who agree to the provisions of this section; and

(2) Then to applicants eligible under § 6-85-106(b).

(c) Forgivable loans awarded under this section shall be paid from appropriations to the program.

SECTION 1116. Arkansas Code § 6-85-110(a)(1)(A) and (B), concerning teaching requirements, are amended to read as follows:

(A) In a subject matter area designated by the ~~Department of Education~~ Division of Elementary and Secondary Education as having a critical shortage of teachers if the recipient's award was made under § 6-85-109(a)(1); or

(B) In a geographical area of the state designated by the ~~Department of Education~~ Division of Elementary and Secondary Education as having a critical shortage of teachers if the recipient's award was made under § 6-85-109(a)(2).

SECTION 1117. Arkansas Code § 6-85-110(a)(2)(B), concerning teaching

requirements, is amended to read as follows:

(B) Any person who received a forgivable loan under § 6-85-109 in an amount less than four (4) annual awards or the equivalent of four (4) annual awards shall render one (1) year's service as a licensed teacher for each year that the person received a full-time student forgivable loan or for the number of academic hours equivalent to one (1) school year, as determined by the ~~Department~~ Division of Higher Education, for which a part-time student received a forgivable loan.

SECTION 1118. Arkansas Code § 6-85-110(b), concerning teaching requirements, is amended to read as follows:

(b) Any person receiving a forgivable loan shall execute a note made payable to the ~~Department~~ Division of Higher Education for an amount equal to the scholarship award each semester that shall bear interest at a rate to be determined by the ~~Department~~ Division of Higher Education and set forth in the note after completion of the program or immediately after termination of the forgivable loan, whichever is earlier.

SECTION 1119. Arkansas Code § 6-85-110(d), concerning teaching requirements, is amended to read as follows:

(d)(1) Except as provided in subdivision (d)(2) of this section, any person failing to complete the teaching obligation as required by this subchapter shall become immediately liable to the ~~Department~~ Division of Higher Education for the sum of all forgivable loan awards made to that person less the corresponding amount of any awards for which service has been rendered according to the note's terms.

(2) The ~~Department~~ Division of Higher Education may defer payment on the note if an employment position is not immediately available upon a teacher's completion of licensure requirements or for other just cause as determined by the ~~Department of Education~~ Division of Elementary and Secondary Education.

(3) After the period of deferral, the person shall begin or resume teaching duties as required under this section or shall become liable to the ~~Department~~ Division of Higher Education under this section.

SECTION 1120. Arkansas Code § 6-85-111 is amended to read as follows:

6-85-111. End-of-course assessment requirements.

The ~~Department~~ Division of Higher Education may recognize a sub-score of nineteen (19) or higher in the applicable subject area on the American College Test as meeting the requirements for passing end-of-course assessments under the Arkansas Academic Challenge Scholarship Program and the Arkansas Governor's Scholars Program for a student who:

(1) Has not had an opportunity to take an end-of-course assessment;

(2) Has not passed the end-of-course assessment; or

(3) Is attending a private school or home school.

SECTION 1121. Arkansas Code § 6-85-204(2), concerning the definition of "ACT equivalent" under the laws governing the Arkansas Academic Challenge Scholarship Program — Part 2, is amended to read as follows:

(2) "ACT equivalent" means the Scholastic Aptitude Test (SAT), COMPASS, Accuplacer, or other nationally normed test that is correlated with the ACT and approved by the ~~Department~~ Division of Higher Education for use by institutions of higher education to assess a person's college readiness;

SECTION 1122. The introductory language of Arkansas Code § 6-85-204(3), concerning the definition of "approved institution of higher education" under the laws governing the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(3) "Approved institution of higher education" means an institution of higher education approved by the ~~Department~~ Division of Higher Education to participate in the Arkansas Academic Challenge Scholarship Program — Part 2 and that is:

SECTION 1123. Arkansas Code § 6-85-204(4)(E), concerning the definition of "approved school of nursing" under the laws governing the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(E) Has been approved by the ~~Department~~ Division of Higher Education as eligible to participate in the Arkansas Academic Challenge Scholarship Program; and

SECTION 1124. The introductory language of Arkansas Code § 6-85-204(5), concerning the definition of "Arkansas resident" under the laws governing the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(5) "Arkansas resident" means a natural person who provides evidence deemed sufficient by the ~~Department~~ Division of Higher Education that:

SECTION 1125. Arkansas Code § 6-85-204(20), concerning the definition of "scholarship hold" under the laws governing the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(20) "Scholarship hold" means the temporary suspension of a scholarship award to a traditional student under this subchapter approved by the ~~Department~~ Division of Higher Education under § 6-85-221;

SECTION 1126. The introductory language of Arkansas Code § 6-85-204(21), concerning the definition of "semester" under the laws governing the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(21) "Semester" means one-half (½) of a traditional academic year at an institution of higher education, or an equivalent approved by the ~~Department~~ Division of Higher Education, in which a student enrolls for not less than:

SECTION 1127. Arkansas Code § 6-85-204(22)(B)(i), concerning the definition of "smart core" under the laws governing the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(i) Established by rules of the ~~state board~~ State Board of Education in coordination with the ~~Department~~ Division of Higher Education; and

SECTION 1128. Arkansas Code § 6-85-204(23)(A), concerning the definition of "state-supported student financial assistance" under the laws governing the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(A) The ~~Department~~ Division of Higher Education; or

SECTION 1129. Arkansas Code § 6-85-204(26)(B), concerning the definition of "traditional student" under the laws governing the Arkansas Academic Challenge Scholarship Program, is amended to read as follows:

(B) "Traditional student" includes a student who otherwise meets this definition but delays entering postsecondary education under a scholarship hold approved by the ~~Department~~ Division of Higher Education.

SECTION 1130. Arkansas Code § 6-85-205 is amended to read as follows:

6-85-205. Authority and duties of the ~~Department~~ Division of Higher Education.

(a) The ~~Department~~ Division of Higher Education shall develop and promulgate rules for the administration of the Arkansas Academic Challenge Scholarship Program consistent with the purposes and requirements of this subchapter.

(b) The rules developed and promulgated by the ~~Department~~ Division of Higher Education under this section shall pertain to:

(1) Student eligibility criteria based on this subchapter;

(2) The method for selecting scholarship recipients and for determining continuing eligibility;

(3) The procedures for making payment to an approved institution of higher education where the recipient is enrolled; and

(4) Other administrative procedures that may be necessary for the implementation and operation of the program.

(c) The ~~Department~~ Division of Higher Education shall implement a complete financial aid management system that uses a single application form that may be accessed as a web-based application for all Arkansas state-supported student financial assistance administered by the ~~Department~~ Division of Higher Education, including:

(1) Scholarships awarded under this subchapter or other state law that are funded with net proceeds from the state lottery; and

(2) Scholarships, grants, or other financial assistance for higher education students funded with nonlottery state educational resources.

(d)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education are directed to develop appropriate informational materials on the Arkansas

Academic Challenge Scholarship Program and to ensure distribution of the materials to Arkansas students in grade seven through grade twelve (7-12) each year as a part of the packet of materials on precollegiate preparation distributed by the Arkansas Higher Education Coordinating Board under § 6-61-217 and by the ~~Department of Education~~ Division of Elementary and Secondary Education under the Higher Education Awareness Act of 1993, § 6-5-401 et seq.

(2) The distribution of informational materials under this section shall be accomplished through the collaboration of school counselors and other appropriate public school or ~~Department~~ Division of Higher Education personnel.

(3) The ~~Department~~ Division of Higher Education shall provide a copy of the informational materials developed under this section to the Legislative Council for review.

(e) The Director of the ~~Department~~ Division of Higher Education shall review and evaluate the operation of the program with regard to eligibility criteria and size of the scholarship award to ensure that the program's operation meets the intent of this subchapter.

(f) The ~~Department~~ Division of Higher Education may determine the necessary procedures for the awarding of scholarships if the number of eligible applicants exceeds the funds available based on the criteria under this subchapter.

(g)(1)(A) By July 15 of each year, the Director of the ~~Department~~ Division of Higher Education shall provide a report to the Legislative Council on:

(i) The implementation of this subchapter;

(ii) The number of recipients that either:

(a) Dropped out during the academic year; or

(b) Lost the scholarship during the academic year; and

(iii) Any additional information requested by the Legislative Council.

(B) The Legislative Council shall include the information reported under this subsection in its annual report to the General Assembly under § 6-85-220.

(2) By August 1 of each year, the ~~Department~~ Division of Higher Education shall provide to the Legislative Council an unaudited financial

report on the administration of the Arkansas Academic Challenge Scholarship Program for the fiscal year just ended.

SECTION 1131. Arkansas Code § 6-85-206(1)(C)(i), concerning basic eligibility requirements for an award from the Arkansas Academic Challenge Scholarship Program — Part 2, is amended to read as follows:

(C)(i) To be considered an Arkansas resident, an applicant shall demonstrate residency by evidence deemed sufficient to the ~~Department~~ Division of Higher Education.

SECTION 1132. The introductory language of Arkansas Code § 6-85-206(1)(D), concerning basic eligibility requirements for an award from the Arkansas Academic Challenge Scholarship Program — Part 2, is amended to read as follows:

(D) During the twelve (12) months immediately preceding the date an applicant will enroll in an approved institution of higher education if the person for whom the twelve-month period is calculated under subdivision (1)(A) or subdivision (1)(B) of this section is deployed outside of Arkansas under military orders, the ~~Department~~ Division of Higher Education shall calculate the twelve (12) months by:

SECTION 1133. Arkansas Code § 6-85-206(3)(B) and (C), concerning basic eligibility requirements for an award from the Arkansas Academic Challenge Scholarship Program — Part 2 are amended to read as follows:

(B) A full-time student shall enroll in at least twenty-seven (27) semester hours the first academic year and thirty (30) semester hours per academic year thereafter or the equivalent, as described in this subchapter, or the equivalent as defined by the ~~Department~~ Division of Higher Education.

(C) A part-time student shall complete at least six (6) semester hours but less than the minimum number of semester hours for a full-time student, as defined by the ~~Department~~ Division of Higher Education;

SECTION 1134. Arkansas Code § 6-85-207(3)(B), concerning additional eligibility requirements for traditional students, is amended to read as follows:

(B) In the year in which the student would have been a junior or senior in high school, completed the requirements for high school graduation and obtained a high school equivalency diploma approved by the ~~Department of Career Education~~ Adult Education Section of the Department of Workforce Services instead of receiving a diploma; or

SECTION 1135. Arkansas Code § 6-85-208(1)(B), concerning additional eligibility requirements for a nontraditional student, is amended to read as follows:

(B) Graduated from an Arkansas public high school, a private high school, an out-of-state high school, a home school high school, or obtained a high school equivalency diploma approved by the ~~Department of Career Education~~ Adult Education Section of the Department of Workforce Services and had a minimum composite score of nineteen (19) on the ACT or the equivalent score on an ACT equivalent; or

SECTION 1136. Arkansas Code § 6-85-209(a)(2)(A)(ii), concerning additional eligibility requirements for a current achiever student, is amended to read as follows:

(ii) In calculating continuous enrollment under this section, the ~~Department~~ Division of Higher Education may include one (1) or more courses taken during the summer that meet the criteria for a course under subdivision (a)(2)(B)(ii) of this section;

SECTION 1137. Arkansas Code § 6-85-209(b), concerning additional eligibility requirements for a current achiever student, is amended to read as follows:

(b) The ~~department~~ division may waive the requirements of subdivision (a)(1)(B) or subdivision (a)(2) of this section for eligibility under this section if an applicant does not meet those eligibility requirements due to the applicant's full-time duty in the active uniformed service of the United States, including members of the National Guard and reserve components of the United States Armed Forces on active duty orders.

SECTION 1138. Arkansas Code § 6-85-210(b)(2)(A)(i), concerning continuing eligibility for scholarships, is amended to read as follows:

(2)(A)(i) A recipient shall meet the satisfactory academic progress standards required to receive other financial aid at the approved institution of higher education where the recipient is enrolled, as determined by the ~~Department~~ Division of Higher Education in conjunction with the institution of higher education where the recipient is enrolled.

SECTION 1139. Arkansas Code § 6-85-210(b)(2)(A)(ii)(b), concerning continuing eligibility for scholarships, is amended to read as follows:

(b) The ~~department~~ division shall notify the recipient of the loss of eligibility under this subdivision (b)(2)(A)(ii).

SECTION 1140. The introductory language of Arkansas Code § 6-85-210(b)(2)(B), concerning continuing eligibility for scholarships, is amended to read as follows:

(B) The ~~department~~ division may approve a leave of absence for a reason that includes without limitation:

SECTION 1141. Arkansas Code § 6-85-210(b)(2)(B)(iv)(c), concerning continuing eligibility for scholarships, is amended to read as follows:

(c) The ~~department~~ division shall release a scholarship hold if the ~~department~~ division determines that the student did not complete the commitment under the written agreement; or

SECTION 1142. Arkansas Code § 6-85-210(b)(2)(B)(v), concerning continuing eligibility for scholarships, is amended to read as follows:

(v) Any other reason approved by the ~~department~~ division;

SECTION 1143. Arkansas Code § 6-85-210(b)(6), concerning continuing eligibility for scholarships, is amended to read as follows:

(6) A recipient shall meet any other continuing eligibility criteria established by the ~~department~~ division.

SECTION 1144. Arkansas Code § 6-85-210(d), concerning continuing eligibility for scholarships, is amended to read as follows:

(d) If a recipient is subject to losing a scholarship under subsection

(c) of this section due to a catastrophic event experienced by the recipient or a family member of the recipient, the ~~department~~ division may waive the requirements of this section and determine the appropriate requirements for the recipient to either retain or regain the scholarship.

SECTION 1145. Arkansas Code § 6-85-211(b), concerning literacy tutoring, is amended to read as follows:

(b) A recipient who agrees to volunteer as a literacy tutor under this section shall receive the prerequisite training in literacy and college readiness from an approved institution of higher education based on training modules developed by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 1146. Arkansas Code § 6-85-212(e)(1)(B)-(D), concerning scholarship award amounts, is amended to read as follows:

(B) The ~~Department~~ Division of Higher Education shall not accept new applications for scholarships for current achiever students under § 6-85-209 after June 1, 2012.

(C)(i) To determine the correct scholarship award amount based on credit hours, a first-time recipient shall submit a current college or university transcript if the first-time recipient has earned any semester credit hours to the ~~Department~~ Division of Higher Education no later than a date determined by the ~~Department~~ Division of Higher Education prior to the academic year for which the first-time recipient will receive an initial scholarship award.

(ii) A first-time recipient who does not submit a transcript to the ~~Department~~ Division of Higher Education on or before June 1 shall receive the award amount under subdivision (e)(1)(A)(i) of this section.

(D)(i) An applicant may elect for the earned semester credit hours under subdivision (e)(1)(A) of this section to be only those semester credit hours earned after graduating from high school or obtaining a high school equivalency diploma approved by the ~~Department of Career Education~~ Adult Education Section of the Department of Workforce Services.

(ii) If an applicant makes the election under subdivision (e)(1)(D)(i) of this section, any semester credit hours earned

through concurrent credit or any other method before graduating high school or obtaining a high school equivalency diploma approved by the ~~Department of Career Education~~ Adult Education Section of the Department of Workforce Services shall not be counted as earned semester credit hours for the purposes of determining a recipient's scholarship award amount under subdivision (e)(1)(A) of this section.

SECTION 1147. Arkansas Code § 6-85-212(e)(2) and (3), concerning scholarship award amounts, is amended to read as follows:

(2)(A) The ~~Department~~ Division of Higher Education shall award an aggregate amount of scholarship awards to nontraditional students beginning with the 2017-2018 academic year of up to fifteen million dollars ($15,000,000).

(B)(i) The ~~Department~~ Division of Higher Education shall return to the Office of the Arkansas Lottery the excess funding, if any, for scholarship awards under this subchapter the ~~Department~~ Division of Higher Education received under § 23-115-801.

(ii) The office shall deposit any funds received from the ~~Department~~ Division of Higher Education under this subdivision (e)(2)(B) into a trust account established under § 23-115-801(b).

(C) Priority for scholarships awarded to nontraditional students and current achiever students is based on:

(i) The applicant's level of progress toward completion of a certificate, an associate degree, a nursing diploma, a baccalaureate degree, or a graduate-level or professional degree; or

(ii) Other criteria established by the ~~Department~~ Division of Higher Education.

SECTION 1148. The introductory language of Arkansas Code § 6-85-212(e)(6), concerning scholarship award amounts, is amended to read as follows:

(6) The ~~Department~~ Division of Higher Education shall give priority for a scholarship award to a full-time or part-time student:

SECTION 1149. Arkansas Code § 6-85-212(i)(1), concerning scholarship award amounts, is amended to read as follows:

(i)(1) If the ~~Department~~ Division of Higher Education has less than a sufficient amount from net proceeds from the state lottery to provide for the scholarship commitments under this subchapter, the ~~Department~~ Division of Higher Education shall give priority for continued financial support under this subchapter to a student with continuing eligibility superior to first-time applicants.

SECTION 1150. The introductory language of Arkansas Code § 6-85-212(i)(2), concerning scholarship award amounts, is amended to read as follows:

(2) If the funding is insufficient to fully fund the scholarships for students with continuing eligibility created under this subchapter, the ~~Department~~ Division of Higher Education shall award scholarships based upon the following criteria to students with continuing eligibility as follows:

SECTION 1151. Arkansas Code § 6-85-212(i)(2)(A)(i), concerning scholarship award amounts, is amended to read as follows:

(i) In an area of critical workforce need as determined by the ~~Department~~ Division of Higher Education; or

SECTION 1152. Arkansas Code § 6-85-212(i)(3), concerning scholarship award amounts, is amended to read as follows:

(3)(A) If after funding all students with continuing eligibility under this section funding is insufficient to fund all qualified first-time applicants, the ~~Department~~ Division of Higher Education shall award scholarships to first-time applicants in order of priority based upon the applicants' highest ACT or ACT equivalent scores.

(B) If after prioritizing first-time applicants based upon the applicants' ACT or ACT equivalent scores funding is insufficient to fund all applicants with like ACT or ACT equivalent scores, the ~~Department~~ Division of Higher Education shall determine who receives an award by random drawing.

SECTION 1153. Arkansas Code § 6-85-213 is amended to read as follows:

6-85-213. Nursing school eligibility.

(a)(1) The General Assembly recognizes that the State of Arkansas is experiencing a critical shortage of nurses.

(2) It is the intent of this section to allow the ~~Department~~ Division of Higher Education the opportunity, under specific circumstances, to include an approved school of nursing that would not otherwise be an approved institution of higher education in the Arkansas Academic Challenge Scholarship Program.

(b) The ~~department~~ division shall make awards to applicants attending an approved school of nursing under this section if the recipient meets continuing eligibility requirements in § 6-85-210.

(c) The ~~department~~ division shall pay scholarship awards under this section only from nonlottery state educational resources.

SECTION 1154. Arkansas Code § 6-85-216 is amended to read as follows:

6-85-216. Institution report to the ~~department~~ division.

(a)(1) An approved institution of higher education that enrolls students receiving scholarships under this subchapter annually shall provide information and semiannually provide updated information to the ~~Department~~ Division of Higher Education regarding all state-supported student financial assistance whether or not the state-supported student financial assistance is awarded under this subchapter.

(2) The information shall be provided in the form of individual student records and shall include without limitation information regarding:

(A) State-supported student financial assistance;

(B) Demographic student data; and

(C) Disaggregated data on remedial courses.

(3)(A) An approved institution of higher education shall undertake the procedures necessary to ensure the collection and reporting of student information under this section.

(B) An approved institution of higher education may lose its approved status for receiving scholarship funds on behalf of a recipient under this subchapter if it fails to make a good-faith effort to comply with this section.

(C) In addition to the provisions of subdivision (a)(3)(B) of this section, an institution of higher education that does not comply with this section shall not be eligible to accept state aid from the Higher

Education Grants Fund Account on behalf of a student.

(b) The ~~department~~ division shall establish by rule the:

(1) Specific data required;

(2) Manner of reporting the information required; and

(3) Technology or software required for reporting.

(c) The ~~department~~ division shall use the information provided under this section to conduct the research and analysis needed to support the annual report of the Director of the ~~Department~~ Division of Higher Education to the Legislative Council under § 6-85-205.

SECTION 1155. Arkansas Code § 6-85-217 is amended to read as follows:

6-85-217. Information provided to the Bureau of Legislative Research by the ~~Department~~ Division of Higher Education.

The ~~Department~~ Division of Higher Education shall provide the following data to the Bureau of Legislative Research through the Arkansas Higher Education Information System under § 6-60-901 et seq., for the purpose of assisting the General Assembly with evaluation and analysis under this subchapter:

(1) Existing individual student data;

(2) Institutional data;

(3) Financial data;

(4) Aggregate student scholarship and grant application and award data;

(5) Remedial course data; and

(6) Other data needed to track scholarship and grant students receiving state-supported student financial assistance from year to year.

SECTION 1156. Arkansas Code § 6-85-219 is amended to read as follows:

6-85-219. Reports to legislative committees.

(a)(1) Annually by November 1, the ~~Department~~ Division of Higher Education shall report to the Legislative Council in the manner and format that the Legislative Council requires on all state-supported student financial assistance awarded by the ~~department~~ division and awarded by approved institutions of higher education.

(2) The information provided shall include without limitation:

(A) Current year expenditures for scholarships and grants

under the Arkansas Academic Challenge Scholarship Program — Part 2;

(B) Projected obligations for succeeding years from each scholarship or grant funding source;

(C) Fund balances for the:

(i) Higher Education Grants Fund Account; and

(ii) Trust accounts maintained by the Director of the ~~Department~~ Division of Higher Education to hold the net proceeds from the state lottery;

(D) An evaluation of whether the net proceeds from the state lottery available for the program supplement and do not supplant nonlottery state educational resources; and

(E) Other information that the Legislative Council or the General Assembly requests.

(b) Annually by December 1, the ~~department~~ division shall report to the Legislative Council its recommendations for changes to the program, including without limitation:

(1) Adjustments to the eligibility requirements of the program; and

(2) Increases or decreases in the amounts awarded for a scholarship under the program based on the amount of net proceeds from the state lottery available.

(c) Annually by December 31, the ~~department~~ division shall report to the Legislative Council the following information on recipients of the Arkansas Academic Challenge Scholarship Program — Part 2 who applied as of June 1:

(1) Race;

(2) Grade point average;

(3) Composite score on the ACT or the equivalent score on an ACT equivalent; and

(4) Family or individual income as reported on the student's Free Application for Federal Student Aid (FAFSA).

SECTION 1157. Arkansas Code § 6-85-220(a)(4), concerning the annual report by the Legislative Council, is amended to read as follows:

(4) Review the annual report of the Director of the ~~Department~~ Division of Higher Education under § 6-85-219;

SECTION 1158. Arkansas Code § 6-85-221(a)(1), concerning a scholarship hold for a traditional student, is amended to read as follows:

(a)(1) The ~~Department~~ Division of Higher Education may approve a scholarship hold for a traditional student for a period of twenty-four (24) months or less.

SECTION 1159. Arkansas Code § 6-85-221(a)(2)(D)(iii), concerning a scholarship hold for a traditional student, is amended to read as follows:

(iii) The ~~department~~ division shall release a scholarship hold if the ~~department~~ division determines that the student did not complete the commitment under the written agreement.

SECTION 1160. The introductory language of Arkansas Code § 6-85-302(1), concerning the definition of "approved institution of higher education" under the laws governing the Arkansas Workforce Challenge Scholarship Program, is amended to read as follows:

(1) "Approved institution of higher education" means an institution of higher education approved by the ~~Department~~ Division of Higher Education to participate in the Arkansas Workforce Challenge Scholarship Program and that is:

SECTION 1161. Arkansas Code § 6-85-303(a)(2)(A), concerning funding for Arkansas Workforce Challenge Scholarships, is amended to read as follows:

(A) Transfers the funds requested by the ~~Department~~ Division of Higher Education under § 23-115-801(c)(2); and

SECTION 1162. Arkansas Code § 6-85-303(b)(1)(B), concerning funding for Arkansas Workforce Challenge Scholarships, is amended to read as follows:

(B) The ~~department~~ division received a loan from the Scholarship Shortfall Reserve Trust Account under § 23-115-802 for the Arkansas Academic Challenge Scholarship Program — Part 2, § 6-85-201 et seq., for the previous academic year.

SECTION 1163. The introductory language of Arkansas Code § 6-85-304(a), concerning the eligibility of a student to receive an Arkansas

Workforce Challenge Scholarship, is amended to read as follows:

(a) A student is eligible to receive an Arkansas Workforce Challenge Scholarship for an academic year if the student applies to the ~~Department~~ Division of Higher Education by a date determined by the ~~Department~~ Division of Higher Education preceding the academic year and:

SECTION 1164. Arkansas Code § 6-85-304(a)(2)(B), concerning funding for Arkansas Workforce Challenge Scholarships, is amended to read as follows:

(B) Received a high school equivalency diploma approved by the ~~Department of Career Education~~ Adult Education Section of the Department of Workforce Services or another state;

SECTION 1165. Arkansas Code § 6-85-304(a)(5)(A) and (B), concerning funding for Arkansas Workforce Challenge Scholarships, is amended to read as follows:

(5)(A) Whose program of study or certificate program will result in the student's being qualified to work in an occupation identified by the ~~Department~~ Division of Workforce Services under subdivision (a)(5)(B)(i) of this section.

(B)(i) The ~~Department~~ Division of Workforce Services shall provide annually to the ~~Department~~ Division of Higher Education by March 1 a list that identifies the five (5) most in-demand occupations in this state in each high-demand field under subdivision (a)(4) of this section that require the completion of a program of study that leads to an associate degree or a certificate program.

(ii) The ~~Department~~ Division of Workforce Services shall publish on its website the list under subdivision (a)(5)(B)(i) of this section and data supporting the list.

SECTION 1166. Arkansas Code § 6-85-305 is amended to read as follows:

6-85-305. Distribution — Award amounts.

(a) If funds are available, the ~~Department~~ Division of Higher Education shall distribute Arkansas Workforce Challenge Scholarships to all students who meet the requirements under § 6-85-304.

(b)(1) The ~~department~~ division shall distribute scholarships from the funds available in an equal amount to every student eligible to receive a

scholarship under this subchapter.

(2) Except as provided in subsection (c) of this section, the maximum scholarship award a student may receive in an academic year shall be the lesser of:

(A) Eight hundred dollars ($800); or

(B)(i) The cost of the certificate program or program of study.

(ii) The cost of a certificate program or program of study shall include:

(a) Tuition, fees, or other charges;

(b) Textbooks or other course materials; and

(c) Equipment needed for a course.

(3) The scholarship awards may be used for expenses included in the cost of the certificate program or program of study.

(4) A scholarship under this section shall be only for the academic year for which it is awarded.

(c)(1) If the ~~department~~ division has funds remaining after making the distributions under subsection (b) of this section, the ~~department~~ division shall distribute scholarships to students for the summer term of the academic year.

(2) If funds are available under subdivision (c)(1) of this section, a student shall apply for a scholarship for a summer term by a date determined by the ~~department~~ division preceding the summer term.

(3)(A) The ~~department~~ division shall distribute scholarships for a summer term in the same manner as under subsection (b) of this section.

(B) Scholarships for a summer term may be used in the same manner as under subsection (b) of this section.

(4) A student who received a scholarship under subsection (b) of this section may also receive a scholarship for a summer term.

(d) The ~~department~~ division shall disburse scholarship awards on behalf of an eligible student directly to the approved institution of higher education.

SECTION 1167. Arkansas Code § 6-85-307 is amended to read as follows:

6-85-307. Rules.

The ~~Department~~ Division of Higher Education shall promulgate rules to

implement this subchapter.

SECTION 1168. Arkansas Code § 9-27-330(a)(4)(B)(i) and (ii), concerning the disposition, delinquency, and alternatives regarding a juvenile, are amended to read as follows:

(B)(i) In addition, the court shall have the right as a term of probation to require the juvenile to attend school or make satisfactory progress toward attaining a high school equivalency diploma approved by the ~~Department of Career Education~~ Adult Education Section of the Department of Workforce Services.

(ii) The court shall have the right to revoke probation if the juvenile fails to regularly attend school or if satisfactory progress toward attaining a high school equivalency diploma approved by the ~~Department of Career Education~~ Adult Education Section of the Department of Workforce Services is not being made;

SECTION 1169. Arkansas Code § 9-27-332(a)(6)(A), concerning disposition and family in need services, is amended to read as follows:

(6)(A) Place the juvenile on supervision terms, including without limitation requiring the juvenile to attend school or make satisfactory progress toward attaining a high school equivalency diploma approved by the ~~Department of Career Education~~ Adult Education Section of the Department of Workforce Services, requiring the juvenile to observe a curfew, and prohibiting the juvenile from possessing or using any alcohol or illegal drugs.

SECTION 1170. Arkansas Code § 9-28-113(a)(2)(A)(iii), concerning the continuity of educational services to foster children, is amended to read as follows:

(iii) The ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 1171. Arkansas Code § 9-28-113(c)(2), concerning the continuity of educational services to foster children, is amended to read as follows:

(2) Each school district shall forward the name of each foster

care liaison and the contact information to the Special Education Section of the ~~Department of Education~~ Division of Elementary and Secondary Education at the beginning of each school year.

SECTION 1172. Arkansas Code § 9-28-113(c)(3)(C)(ii), concerning the continuity of educational services to foster children, is amended to read as follows:

(ii) When a foster child changes school placement, the foster care liaison in the new school district shall request the child's educational record, as defined by rule of the ~~Department of Education~~ Division of Elementary and Secondary Education, from the foster care liaison in the child's previous school district within three (3) school days.

SECTION 1173. Arkansas Code § 9-28-203(a)(10), concerning the powers and duties of the Division of Youth Services, is amended to read as follows:

(10) Provide a system of education in residential facilities operated by the ~~division~~ Division of Youth Services that conform to the guidelines established by the ~~Department of Education~~ Division of Elementary and Secondary Education and as set forth in § 9-28-205; and

SECTION 1174. Arkansas Code § 9-28-205(c)(1) and (2), concerning youth services centers, are amended to read as follows:

(c)(1)(A) The ~~division~~ Division of Youth Services shall establish a system of education that shall conform to the guidelines established by the ~~Department of Education~~ Division of Elementary and Secondary Education.

(B) The ~~Department of Education~~ Division of Elementary and Secondary Education shall establish guidelines for the ~~division's~~ Division of Youth Services' system of education no later than July 1, 2009.

(C)(i) The ~~division~~ Division of Youth Services, with the support and assistance of the ~~Department of Education~~ Division of Elementary and Secondary Education, shall conduct an education program assessment of each ~~division~~ Division of Youth Services facility and provide a written report of assessment findings to the ~~division~~ Division of Youth Services no later than December 1, 2009.

(ii) The ~~division~~ Division of Youth Services, with the support and assistance of the ~~Department of Education~~ Division of

Elementary and Secondary Education, shall submit a corrective action plan for each ~~division~~ Division of Youth Services facility to the Director of the Division of Youth Services, if needed~~, no later than December 1, 2009~~.

(iii) The ~~Department of Education~~ Division of Elementary and Secondary Education shall monitor the ~~division's~~ Division of Youth Services' system of education to ensure that the guidelines established by the ~~Department of Education~~ Division of Elementary and Secondary Education are satisfied by the ~~division's~~ Division of Youth Services' system of education.

(2) A student enrolled in the ~~division's~~ Division of Youth Services' system of education shall receive credit for courses that meet the guidelines established by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 1175. Arkansas Code § 9-28-205(d)-(f), concerning the youth services centers, is amended to read as follows:

(d) The ~~division~~ Division of Youth Services, the ~~Department of Education~~ Division of Elementary and Secondary Education, and the ~~Department~~ Division of Career and Technical Education shall work collaboratively to prepare courses of study for the ~~division's~~ Division of Youth Services' system of education, including courses in career and technical education suited to the age and capacity of the youths.

(e) The Department of Human Services, the ~~Department of Education~~ Division of Elementary and Secondary Education, and the ~~Department~~ Division of Career and Technical Education may promulgate rules as necessary to administer the requirements of this section.

(f) The Department of Human Services and the ~~Department of Education~~ Division of Elementary and Secondary Education shall report annually, beginning on March 1, 2010, to the House Committee on Aging, Children and Youth, Legislative and Military Affairs and to the Senate Interim Committee on Children and Youth on the state of the ~~division's~~ Division of Youth Services' system of education.

SECTION 1176. Arkansas Code § 9-28-208(a)(4), concerning an order of commitment to the Division of Youth Services, is amended to read as follows:

(4) The committed juvenile's school or current educational

setting shall transmit the education record, as defined by rule of the ~~Department of Education~~ Division of Elementary and Secondary Education, to the ~~division~~ Division of Youth Services within ten (10) school days from the request from the ~~division~~ Division of Youth Services.

SECTION 1177. Arkansas Code § 9-28-402(5)(A), concerning the definition of "boarding school" under the Child Welfare Agency Licensing Act, is amended to read as follows:

(A) The institution is in operation for a period of time not to exceed the minimum number of weeks of classroom instruction required of schools accredited by the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 1178. Arkansas Code § 9-28-402(12)(C), concerning the definition of "boarding school" under the Child Welfare Agency Licensing Act, is amended to read as follows:

(C) A facility or program owned or operated by or under contract with the ~~Department~~ Division of Correction;

SECTION 1179. Arkansas Code § 9-28-407(a)(5)(A)(iv), concerning the requirement and issuance of a license for the operation of a child welfare agency, is amended to read as follows:

(iv) The licensee is operating a nontraditional program that is approved by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 1180. Arkansas Code § 9-28-407(h)(2)(E), concerning the requirement and issuance of a license for the operation of a child welfare agency, is amended to read as follows:

(E) To the Division of Children and Family Services of the Department of Human Services and the ~~Department of Education~~ Division of Elementary and Secondary Education, including child welfare agency licensing specialists;

SECTION 1181. Arkansas Code § 9-28-1201(b)(2)(C), concerning the creation and membership of the Youth Justice Reform Board, is amended to read

as follows:

(C) Representatives from the ~~Department of Education~~ Division of Elementary and Secondary Education, ~~Department~~ Division of Workforce Services, the Division of Children and Family Services of the Department of Human Services, and the Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services;

SECTION 1182. Arkansas Code § 10-2-127(a)(2), concerning a fiscal impact statement developed by the Office of Economic and Tax Policy, is amended to read as follows:

(2) The fiscal impact statement shall be developed by the Office of Economic and Tax Policy with the assistance of the ~~Department of Education~~ Division of Elementary and Secondary Education within the guidelines adopted by the House Committee on Education and the Senate Committee on Education, as applicable.

SECTION 1183. Arkansas Code § 10-3-317 is amended to read as follows:

10-3-317. Disclosure of school district information and records — Access to electronic databases of ~~the Department of Education~~ Division of Elementary and Secondary Education.

(a)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall provide the Bureau of Legislative Research with direct read-and-report-only access to the ~~department's~~ division's data warehouse concerning school districts and related records.

(2) In providing the bureau with the direct read-and-report-only access required under subdivision (a)(1) of this section, the ~~department~~ division shall take reasonable precautions, including electronic blocking or redacting, to prevent the disclosure of:

(A) Personally identifiable information of a student unless the parent or guardian of a minor student or a student who is no longer a minor consents in writing to the disclosure of personally identifiable information about that student; or

(B) Information that would cause the ~~department~~ division to lose funding under the provisions of 20 U.S.C. § 1232g, as it existed on January 1, 2007.

(3)(A) The ~~department~~ division shall make its staff reasonably

accessible for consultation with bureau staff in developing and responding appropriately to bureau requests under this section.

(B) The bureau staff shall inform the ~~department~~ division of any warehouse data used in the preparation of reports and provide the ~~department~~ division at least one (1) working day to review any student-related warehouse data used in preparation of reports prior to publicly releasing that student-related data without individually identifiable information.

(b) The ~~department~~ division shall provide other information and records requested by the bureau as soon as possible and in whatever reasonable form requested.

SECTION 1184. Arkansas Code § 10-3-1003 is amended to read as follows:

10-3-1003. Routine collaboration with ~~Department of Education~~ Division of Elementary and Secondary Education, ~~Department~~ Division of Career and Technical Education, and ~~Department~~ Division of Higher Education.

(a) The House Committee on Education and the Senate Committee on Education between legislative sessions shall continually and routinely:

(1) Assess the needs and problems of:

(A) The public school districts of this state;

(B) Technical institutes and vocational-technical schools; and

(C) Institutions of higher education; and

(2) Engage in a constant dialogue with the:

(A) ~~Department of Education~~ Division of Elementary and Secondary Education;

(B) ~~Department~~ Division of Career and Technical Education; and

(C) ~~Department~~ Division of Higher Education.

(b) In order to assist the General Assembly, the ~~Department of Education~~ Division of Elementary and Secondary Education, the ~~Department~~ Division of Career and Technical Education, and the ~~Department~~ Division of Higher Education shall not only respond to the inquiries of the House Committee on Education and the Senate Committee on Education, but shall of their own motion alert the membership of the House Committee on Education and the Senate Committee on Education to problems and needs of, and

recommendations concerning, all public education endeavors in Arkansas.

SECTION 1185. Arkansas Code § 10-3-1405(d), concerning interdepartmental cooperation and assistance, is amended to read as follows:

(d)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall cooperate with and assist the office in carrying out its responsibilities by providing:

(A) The office with information requested by the office; and

(B) Assistance to the office as requested.

(2) The ~~Department of Education~~ Division of Elementary and Secondary Education shall provide the office with any information regarding changes in the calculation of state aid to public school districts within seven (7) working days of a change.

SECTION 1186. Arkansas Code § 10-3-1602(2), concerning the duties of the Joint Interim Oversight Committee on Education Reform, is amended to read as follows:

(2) Reviewing policy issues affecting educational reform on or before November 15 of the year preceding a regular session and making recommendations concerning any necessary legislative changes proposed by school districts, cooperatives, institutions of higher education, the ~~Department of Education~~ Division of Elementary and Secondary Education, the State Board of Education, the ~~Department~~ Division of Career and Technical Education, the State Board of ~~Career~~ Education, the ~~Department~~ Division of Higher Education, the Arkansas Higher Education Coordinating Board, the Governor's office, and private institutions;

SECTION 1187. Arkansas Code § 10-3-1602(4), concerning the duties of the Joint Interim Oversight Committee on Education Reform, is amended to read as follows:

(4) Reviewing and assuring coordination between the school districts, cooperatives, institutions of higher education, the ~~Department of Education~~ Division of Elementary and Secondary Education, the State Board of Education, the ~~Department~~ Division of Career and Technical Education, the State Board of ~~Career~~ Education, the ~~Department~~ Division of Higher Education,

the Arkansas Higher Education Coordinating Board, the Governor's office, and private institutions; and

SECTION 1188. Arkansas Code § 10-3-2102(a)(4), concerning duties of the House Committee on Education and the Senate Committee on Education, is amended to read as follows:

(4) Evaluate the effectiveness of any program implemented by a school, a school district, an education service cooperative, the ~~Department of Education~~ Division of Elementary and Secondary Education, or the State Board of Education and recommend necessary changes;

SECTION 1189. Arkansas Code § 10-3-2102(c), concerning duties of the House Committee on Education and the Senate Committee on Education, is amended to read as follows:

(c) The ~~Department of Education~~ Division of Elementary and Secondary Education, the ~~Department~~ Division of Career and Technical Education, and the ~~Department~~ Division of Higher Education shall provide the House Committee on Education and the Senate Committee on Education with assistance and information as requested by the House Committee on Education and the Senate Committee on Education.

SECTION 1190. Arkansas Code § 10-3-2102(f)(2), concerning duties of the House Committee on Education and the Senate Committee on Education, is amended to read as follows:

(2) Reviewing the Arkansas academic standards developed by the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 1191. Arkansas Code § 10-3-2103(a)(5) and (6), concerning the authority to investigate by the House Committee on Education and the Senate Committee on Educations, are amended to read as follows:

(5) The ~~Department of Education~~ Division of Elementary and Secondary Education or its successors; or

(6) The State Board of Education or any ~~department~~ division under the board's authority.

SECTION 1192. Arkansas Code § 10-3-2203(a), concerning assistance to

the Academic Facilities Oversight Committee, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education, the ~~Department~~ Division of Career and Technical Education, the ~~Department~~ Division of Higher Education, the Division of Public School Academic Facilities and Transportation, and the Division of Public School Accountability shall provide the Academic Facilities Oversight Committee with assistance as requested by the Academic Facilities Oversight Committee.

SECTION 1193. Arkansas Code § 10-3-2602(b)(7), concerning the creation of the Arkansas Legislative Task Force on Autism, is amended to read as follows:

(7) The Behavior Intervention Coordinator of the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 1194. Arkansas Code § 10-3-2602(b)(12) and (13), concerning the creation of the Arkansas Legislative Task Force on Autism, areamended to read as follows:

(12) The Behavior Intervention Services Coordinator for the ~~Department of Education~~ Division of Elementary and Secondary Education;

(13) The Associate Director of Special Education of the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 1195. Arkansas Code § 11-6-109 is amended to read as follows:

11-6-109. Children under age 16 years — Employment certificate required.

(a) No person, firm, or corporation shall employ or permit any child under sixteen (16) years to work in or in connection with any establishment or occupation unless the person, firm, or corporation employing the child procures and keeps on file, accessible to the ~~Department~~ Division of Labor and the ~~Department of Education~~ Division of Elementary and Secondary Education, or local school officials, an employment certificate as provided in this section.

(b)(1) The employment certificate shall be issued only by the Director of the ~~Department~~ Division of Labor.

(2) Application for an employment certificate shall be made on a form approved by the director and shall require submission of the following:

(A) Proof of age;

(B) A description of the work and work schedule; and

(C) Written consent of the parent or guardian.

SECTION 1196. Arkansas Code § 11-10-220(b)(2), concerning educational institutions, is amended to read as follows:

(2) Which is approved, licensed, or issued a permit to operate as a school by the ~~Department of Education~~ Division of Elementary and Secondary Education or other government agency that is authorized within the state to approve, license, or issue a permit for the operation of a school;

SECTION 1197. Arkansas Code § 12-18-909(d)(2) and (3), concerning the availability of true reports of child maltreatment from the central registry, is amended to read as follows:

(2) However, the person or agency is permitted to consult his or her or its own attorney regarding information provided by the Department of Human Services and the ~~Department~~ Division of Arkansas State Police.

(3) However, a local educational agency or a school counselor shall forward all true reports of child maltreatment received from the Department of Human Services and the ~~Department~~ Division of Arkansas State Police when a child transfers from one (1) local educational agency to another and shall notify the Department of Human Services and the ~~Department~~ Division of Arkansas State Police of the child's new school and address, if known.

SECTION 1198. Arkansas Code § 12-18-909(d)(5), concerning the availability of true reports of child maltreatment from the central registry, is amended to read as follows:

(5) This section does not prohibit the disclosure and discussion of confidential data, records, reports, or documents created, collected, or compiled by or on behalf of the Department of Human Services, the ~~Department~~ Division of Arkansas State Police, or other entity authorized under this chapter to perform investigations or provide services to children, individuals, or families in closed meetings conducted by the Child Maltreatment Investigations Oversight Committee under § 10-3-3201 et seq.

SECTION 1199. Arkansas Code § 12-18-909(e)(1), concerning the availability of true reports of child maltreatment from the central registry, is amended to read as follows:

(e)(1) The Department of Human Services and the ~~Department~~ Division of Arkansas State Police may provide information, including protected health information, to a person or agency that provides services such as medical examination of, an assessment interview with, or diagnosis of, care for, treatment of, or supervision of a victim of child maltreatment, a juvenile offender, or an underaged juvenile offender.

SECTION 1200. Arkansas Code § 12-18-909(g)(6)(A), concerning the availability of true reports of child maltreatment from the central registry, is amended to read as follows:

(6)(A) A person, agency, or organization engaged in a bona fide research or evaluation project having value as determined by the Department of Human Services and the ~~Department~~ Division of Arkansas State Police in future planning for programs for maltreated children or in developing policy directions.

SECTION 1201. Arkansas Code § 12-18-909(g)(23)(D), concerning the availability of true reports of child maltreatment from the central registry, is amended to read as follows:

(D) The ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 1202. Arkansas Code § 12-29-304 is amended to read as follows:

12-29-304. Costs and funding.

(a) The cost of implementing and operating the Corrections School System shall be borne by the state and shall be paid from funds appropriated by the General Assembly from the general revenues of the state to the ~~Department~~ Division of Correction, the ~~Department~~ Division of Community Correction, and the ~~Department of Education~~ Division of Elementary and Secondary Education, together with any federal funds that may be available for that purpose and from any funds generated from the operations of the ~~Department~~ Division of Correction and the ~~Department~~ Division of Community Correction, in the following manner:

(1) The cost of facilities, equipment, and current operation in excess of the amount of grants and aids received from the ~~Department of Education~~ Division of Elementary and Secondary Education shall be borne by the ~~Department~~ Division of Correction and the ~~Department~~ Division of Community Correction as approved by the Board of Corrections;

(2)(A) The system, as other school districts in the state, shall share in the distribution of grants and aids from the ~~Department of Education~~ Division of Elementary and Secondary Education.

(B) However, in no case shall the moneys from the Public School Fund to the system be in excess of the line item appropriation provided to the system in the fund.

(b)(1) Recognizing that the Elementary roles, duties, and responsibilities of the ~~Department~~ Division of Correction and the ~~Department~~ Division of Community Correction are to serve as penal and correctional institutions, the system shall be exempt from and shall not be penalized in any manner for not complying with:

(A) All of the following:

(i) The Quality Education Act of 2003, § 6-15-201 et seq.;

(ii) The Arkansas Comprehensive Testing, Assessment, and Accountability Program Act, § 6-15-401 et seq.;

(iii) Sections 6-15-901, 6-15-902, 6-15-2001 — 6-15-2008, 6-15-2101 — 6-15-2107, 6-15-2201, 6-15-2301, and 6-16-1201 — 6-16-1206;

(iv) The Arkansas Fiscal Assessment and Accountability Program, § 6-20-1901 et seq.; and

(v) The Arkansas Educational Financial Accounting and Reporting Act of 2004, § 6-20-2201 et seq.;

(B) Any state laws or rules adopted to comply with the federal Elementary and Secondary Education Act as reauthorized under the No Child Left Behind Act of 2001, 20 U.S.C. § 6301 et seq., as in existence on January 1, 2005; and

(C) Any rule of the State Board of Education related to the provisions listed in this subdivision (b)(1).

(2) The system's exemption from or noncompliance with the provisions under this subsection shall not affect the system's, the ~~Department~~ Division of Correction's, or the ~~Department~~ Division of Community

Correction's eligibility to apply for or receive state grants or aids for public school districts as authorized in this subchapter and related rules.

SECTION 1203. Arkansas Code § 12-62-502(1), concerning the definition of "approved institution" under the Arkansas National Guard Student Loan Repayment Program, is amended to read as follows:

(1) "Approved institution" means an Arkansas public or private postsecondary institution that is accredited or has achieved candidacy status from the North Central Association's Commission on Institutions of Higher Education or is a technical institute or comprehensive lifelong learning center under the supervision of the ~~Department of Workforce Education~~ Division of Higher Education;

SECTION 1204. Arkansas Code § 12-62-502(4)(G), concerning the definition of "approved institution" under the Arkansas National Guard Student Loan Repayment Program, is amended to read as follows:

(G) Meets the current scholastic criteria of and is currently approved to receive a student loan under any state or federal program approved by the ~~Department~~ Division of Higher Education, and is, or will be upon approval of such loan, enrolled as a full-time student in good standing at an approved institution.

SECTION 1205. Arkansas Code § 12-62-505(b) and (c), concerning regulations regarding the Arkansas National Guard Student Loan Repayment Program, are amended to read as follows:

(b) In establishing regulations relating to academic qualification, certification, recertification, and payment, the Adjutant General shall obtain the advice of the ~~Department~~ Division of Higher Education.

(c) To the extent possible, the ~~department~~ division shall include the program among other existing financial aid programs and shall monitor the program and enforce policies, as necessary, to conform with ~~department~~ division regulations.

SECTION 1206. Arkansas Code § 13-2-203(b), concerning the creation of the Arkansas State Library, is amended to read as follows:

(b) The library shall function within the Department of Education in

the same manner as provided by agencies transferred ~~to the principal Department of government by a type 1 transfer under the provisions of § 25-2-104~~ pursuant to a cabinet-level transfer under § 25-43-108 and which shall be adequately funded and properly housed in a designated building at the seat of state government.

SECTION 1207. Arkansas Code § 13-2-204(a), concerning the qualifications of the State Librarian, is amended to read as follows:

(a) The Arkansas State Library shall be headed by the State Librarian, to be appointed by the State Library Board, in consultation with the Secretary of the Department of Education. The State Librarian shall serve for such time and for such terms as the board may prescribe.

SECTION 1208. Arkansas Code § 13-2-206(d), concerning meetings of the State Library Board, is amended to read as follows:

(d) The State Librarian shall serve as ~~Executive Secretary~~ secretary of the State Library Board, but without a vote thereon, and shall attend all of the board meetings and keep records thereof.

SECTION 1209. Arkansas Code § 13-2-207(8), concerning the powers and duties of the Arkansas State Library, is amended to read as follows:

(8) Cooperate with the ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~Department~~ Division of Higher Education in devising plans for the development of libraries, in aiding librarians in their administration, in certification policies, and in formulating rules and regulations for the use of libraries;

SECTION 1210. Arkansas Code § 13-2-1002 is amended to read as follows:

13-2-1002. Creation.

(a)(1) The ~~Department~~ Division of Higher Education and the Arkansas State Library shall develop a digitized collection of information that includes information that is in the public domain, cleared for public distribution over the Internet, and to which students of public postsecondary schools in Arkansas have access.

(2) The digitized information under this subchapter shall be available for public access in at least one (1) location in each Arkansas

county.

(b)(1) The ~~department~~ division and the library shall develop criteria regarding the:

(A) Selection of materials to be digitized;

(B) Need for public access; and

(C) Means of cataloging or indexing the materials and digitizing them.

(2) Materials to be digitized may include:

(A) Print documents;

(B) Texts;

(C) Manuscripts;

(D) Photographs;

(E) Art reproductions;

(F) Postcards;

(G) Illustrations;

(H) Sound;

(I) Film; and

(J) Video.

(c) The ~~department~~ division shall make grants under this subchapter to assist public postsecondary institutions and other public or private entities in:

(1) Selecting and digitizing information; and

(2) Developing and providing access to the digital collection in at least one (1) location in each Arkansas county.

(d)(1) Each postsecondary public institution in Arkansas shall cooperate with the ~~department~~ division in developing the digitized collection under this subchapter.

(2) Each postsecondary public institution and any entity receiving a grant under this subchapter shall develop a plan to inform the public regarding the use of the resources made available under this subchapter.

(3) Funds made available under this subchapter may be used by the receiving entities to obtain matching funds from federal programs.

SECTION 1211. Arkansas Code § 13-13-102(c)(4)(A) and (B), concerning the members of the Arkansas Civil War Sesquicentennial Commission, are

amended to read as follows:

(A) Director of the ~~Department~~ Division of Arkansas Heritage;

(B) Director of the ~~Department~~ Division of ~~Arkansas Parks and~~ Tourism;

SECTION 1212. Arkansas Code § 14-14-904(b)(1)(B), concerning time and place of the quorum court assembly, is amended to read as follows:

(B) The Director of the Assessment Coordination ~~Department~~ Division may authorize an extension of up to sixty (60) days of the date for levy of taxes upon application by the county judge and county clerk of any county for good cause shown resulting from reappraisal or rollback of taxes.

SECTION 1213. Arkansas Code § 14-14-904(b)(5), concerning time and place of the quorum court assembly, is amended to read as follows:

(5) If a determination is made under this subchapter or § 26-80-101 et seq. that the taxes levied by the quorum court are out of compliance with Arkansas Constitution, Article 14, § 3, as amended by Arkansas Constitution, Amendment 11, Arkansas Constitution, Amendment 40, and Arkansas Constitution, Amendment 74, then upon notice from the Director of the ~~Department of Education~~ Division of Elementary and Secondary Education, the county court shall immediately issue an order directing the county clerk to change the millage levy to bring the taxes levied into compliance with Arkansas Constitution, Article 14, § 3, as amended by Arkansas Constitution, Amendment 11, Arkansas Constitution, Amendment 40, and Arkansas Constitution, Amendment 74.

SECTION 1214. Arkansas Code § 14-144-103(1), concerning the definition of "accredited institution of higher education" under the Research Park Authority Act, is amended to read as follows:

(1) “Accredited institution of higher education” means a four-year public college or university that offers bachelor’s degrees and is recognized by the ~~Department~~ Division of Higher Education for credit;

SECTION 1215. The introductory language of Arkansas Code § 15-3-104(c), concerning the members of the Executive Director of the Arkansas

Economic Development Commission, is amended to read as follows:

(c) The board shall consist of the Director of the ~~Department~~ Division of Higher Education or the Director of the ~~Department~~ Division of Higher Education's designee and thirteen (13) directors who shall be appointed by the Governor, subject to confirmation by the Senate, as follows:

SECTION 1216. The introductory language of Arkansas Code § 15-3-132(a)(2), concerning the criteria and designation for centers for applied technology, is amended to read as follows:

(2) Establish, in consultation with the ~~Department~~ Division of Higher Education, criteria that must be satisfied for designation as a center, including, but not limited to:

SECTION 1217. Arkansas Code § 16-93-308(b)(2), concerning the revocation of probation, is amended to read as follows:

(2) If a defendant on probation is arrested by a probation officer employed by the ~~Department~~ Division of Community Correction for a violation of the defendant's probation and taken to a county jail for a reason listed under subdivision (b)(1)(B) of this section, the state shall reimburse the county for the costs of incarceration at the prevailing rate of reimbursement.

SECTION 1218. Arkansas Code § 16-93-308(c)(1), concerning the revocation of probation, is amended to read as follows:

(c)(1) A defendant arrested for violation of suspension of sentence or probation shall be taken immediately before the court that suspended imposition of sentence or, if the defendant was placed on probation, before the court supervising the probation, or, if the defendant is subject to administrative probation sanction under § 16-93-306(d), to the appropriate authority in the ~~Department~~ Division of Community Correction if practicable or, if transport to an appropriate authority of the ~~Department~~ Division of Community Correction is not practicable, then to the county jail.

SECTION 1219. Arkansas Code § 16-93-308(i)(1)(B)(i) and (ii),

concerning the revocation of probation, are amended to read as follows:

(B)(i) A defendant on probation is subject to having his or her probation revoked and being sentenced to the ~~Department~~ Division of Correction or the ~~Department~~ Division of Community Correction for a subsequent violation of his or her probation if the defendant has been confined six (6) times under § 16-93-306(d).

(ii) After a defendant on probation has been confined two (2) times under either § 16-93-306(d) or § 16-93-309(a)(4) for any combination of a technical conditions violation or serious conditions violation for any period of time, the defendant on probation is subject to having his or her probation revoked and being sentenced to the ~~Department~~ Division of Correction or the ~~Department~~ Division of Community Correction for a subsequent violation of his or her probation.

SECTION 1220. Arkansas Code § 16-93-308(i)(2)(A), concerning the revocation of probation, are amended to read as follows:

(2)(A) A defendant is subject to having his or her probation revoked under this section for a technical conditions violation or a serious conditions violation without having been sanctioned for a period of confinement set out under § 16-93-306(d) or § 16-93-309(a)(4) if upon the filing of a petition in the court with jurisdiction the ~~Department~~ Division of Community Correction or the prosecuting attorney proves by a preponderance of the evidence that the defendant is engaging in or has engaged in behavior that poses a threat to the community.

SECTION 1221. Arkansas Code § 16-98-303(a)(5), concerning the authorization of drug court programs, is amended to read as follows:

(5) As determined by the ~~Department~~ Division of Community Correction, an adult drug court program established under this section shall target high-risk offenders and medium-risk offenders.

SECTION 1222. Arkansas Code § 16-98-303(b)(1), concerning the authorization of drug court programs, is amended to read as follows:

(b)(1) A drug court program shall incorporate services from the ~~Department~~ Division of Community Correction, the Department of Human Services, and the Administrative Office of the Courts.

SECTION 1223. The introductory language of Arkansas Code § 16-98-303(b)(2), concerning the authorization of drug court programs, is amended to read as follows:

(2) Subject to an appropriation, funding, and position authorization, both programmatic and administrative, and subject to the requirements of eligibility as defined in § 16-93-1202, the ~~Department~~ Division of Community Correction:

SECTION 1224. Arkansas Code § 16-98-303(b)(4)(e)(iii), concerning the authorization of drug court programs, is amended to read as follows:

(iii) Existing drug treatment programs currently in place and operating through the courts, the county jail, or the ~~Department~~ Division of Correction; and

SECTION 1225. Arkansas Code § 16-98-303(e)(2)-(4), concerning the authorization of drug court programs, are amended to read as follows:

(2) ~~Department of Education~~ Division of Elementary and Secondary Education;

(3) Adult Education Section of the Department of Workforce Services;

(4) ~~Department~~ Division of Community Correction; and

SECTION 1226. Arkansas Code § 16-98-303(f)(2), concerning the authorization of drug court programs, is amended to read as follows:

(2) Serve as a coordinator between drug court judges, the ~~Department~~ Division of Community Correction, the Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services, private treatment provider representatives, and public health advocates;

SECTION 1227. Arkansas Code § 17-26-403(b)(2), concerning an application to operate and license for a school of cosmetology, is amended to read as follows:

(2) The ~~Department of Education~~ Division of Elementary and Secondary Education shall not be required to apply to the Department of Health for approval.

SECTION 1228. Arkansas Code § 17-27-103(b)(1), concerning exemptions regarding a licensed professional counselor, is amended to read as follows:

(1) The professional pursuits of administrators, teachers, and school counselors certified by the ~~Department of Education~~ Division of Elementary and Secondary Education within the scope of their duties in recognized public and private schools;

SECTION 1229. Arkansas Code § 17-27-403(a)(1), concerning exemptions regarding licensed alcoholism and drug abuse counselors, is amended to read as follows:

(a)(1) Nothing contained in this subchapter shall be applicable to employees of the ~~Department of Education~~ Division of Elementary and Secondary Education or local boards of education who meet the certification as established or which may be established by the Career Education and Workforce Development Board.

SECTION 1230. Arkansas Code § 17-53-106(a)(5), concerning the construction and applicability of the Health Educator Practice Act, is amended to read as follows:

(5) A teacher of health education in an elementary or secondary school who meets the certification requirements as set forth by the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 1231. Arkansas Code § 17-86-303(a)(4)(A), concerning licensing of a massage therapist, is amended to read as follows:

(4)(A) Present a high school diploma, high school equivalency diploma approved by the Adult Education Section of the Division of Workforce Services, or college transcript and credentials issued by a massage therapy school accepted by the Department of Health or a like institution with no less than five hundred (500) hours of in-classroom instruction.

SECTION 1232. The introductory language of Arkansas Code § 17-87-402(b), concerning institutions of higher education, challenge examinations, and validation examinations, is amended to read as follows:

(b) The ~~Department~~ Division of Higher Education shall:

SECTION 1233. Arkansas Code § 17-87-402(c), concerning institutions of higher education, challenge examinations, and validation examinations, is amended to read as follows:

(c) All institutions of higher education in this state shall use standardized validation and challenge examinations or devise their own. All challenge examinations and all validation examinations shall be submitted to the ~~department~~ division for its approval. Upon the successful passing of a validation examination or challenge examination, the examinee shall be given credit for the course which is the subject of the test.

SECTION 1234. Arkansas Code § 17-90-111(a), concerning loans to optometry students, is amended to read as follows:

(a) The ~~Department~~ Division of Higher Education shall provide a loan from the Higher Education Grants Fund Account that is in excess of the Southern Regional Education Board grant funds to any optometry student:

SECTION 1235. Arkansas Code § 17-90-111(b)(2)(B), concerning loans to optometry students, is amended to read as follows:

(B) At a rate of interest determined by the ~~department~~ division, but not to exceed four percent (4%);

SECTION 1236. Arkansas Code § 17-90-111(b)(4)(C), concerning loans to optometry students, is amended to read as follows:

(C) Extraordinary circumstances as determined by the ~~department~~ division; and

SECTION 1237. Arkansas Code § 17-91-101(a)(5), concerning the licensing requirements of an Osteopathic physician, is amended to read as follows:

(5) Is a graduate of an osteopathic college of medicine whose course of study has been recognized by the ~~Department of Education~~ Division of Elementary and Secondary Education of the American Osteopathic Association; and

SECTION 1238. Arkansas Code § 17-97-307(b)(4)(A), concerning professional titles, is amended to read as follows:

(4)(A) Individuals who have been certified as school psychology specialists by the ~~Department of Education~~ Division of Elementary and Secondary Education shall be permitted to use the title "school psychology specialist".

SECTION 1239. Arkansas Code § 17-100-104(4)(A), concerning exemptions regarding the Licensure Act of Speech-Language Pathologists and Audiologists, is amended to read as follows:

(4)(A) A person from performing speech-language pathology or audiology services solely within the confines or under the jurisdiction of a public school system if that person holds a valid and current certificate as a speech therapist or speech-language pathologist issued by the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 1240. Arkansas Code § 19-1-701(b), concerning fiscal impact statements, is amended to read as follows:

(b) A fiscal impact statement shall be developed with the guidance of the Office of Economic and Tax Policy of the Bureau of Legislative Research and with the approval of the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 1241. The introductory language of Arkansas Code § 19-4-604(d), concerning state-supported institutions of higher education, is amended to read as follows:

(d) The Chief Fiscal Officer of the State, with the advice and consent of the ~~Department~~ Division of Higher Education, shall approve requested revisions in the proposed quarterly allotments if he or she shall determine that:

SECTION 1242. The introductory language of Arkansas Code § 19-4-604(i), concerning state-supported institutions of higher education, is amended to read as follows:

(i) The ~~Department~~ Division of Higher Education shall coordinate with the Chief Fiscal Officer of the State for administering the provisions of

this section.

SECTION 1243. Arkansas Code § 19-4-1402 is amended to read as follows:

19-4-1402. Contracts to be filed.

(a) Executed counterparts of all contracts entered into by any state agency with respect to proposed projects for new improvements or major repairs or additions to existing buildings and facilities shall be approved by and filed with the Building Authority Division ~~of the Department of Finance and Administration~~ before the issuance of any vouchers making payments under the contract, unless the contract is exempted from the jurisdiction of the ~~division~~ Building Authority Division by a law or a regulation promulgated under the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(b)(1) The boards of trustees of the University of Arkansas, Arkansas State University, University of Central Arkansas, Henderson State University, Arkansas Tech University, and Southern Arkansas University, respectively, are exempt from the requirements of this section requiring the filing of the contracts with the ~~division~~ Building Authority Division.

(2) The governing boards of all other public institutions of higher education shall be exempt from the requirement for approval and filing of the contracts with the ~~division~~ Building Authority Division:

(A) Upon approval of the ~~Department~~ Division of Higher Education; and

(B) If, prior to granting approval, the ~~Department~~ Division of Higher Education shall have reviewed and approved policies and procedures adopted by the governing boards of the public institutions of higher education with respect to bidding and construction of capital improvement projects.

(3) Nothing in this section shall prevent a public institution of higher education exempt under this subsection from entering into an agreement with the ~~division~~ Building Authority Division to file its contracts with the ~~division~~ Building Authority Division.

(c)(1) All contracts for new improvements or major repairs or additions to existing buildings and facilities under this subchapter shall include a project disclosure statement prepared by the agency, board, commission, or public institution of higher education.

(2) The disclosure statement shall provide the estimated timeline, scope, and cost of the total project.

(3) The disclosure statement shall not be construed as authorizing any:

(A) Additional work which is beyond the scope of the bid documents; or

(B) Payment exceeding the contract amount.

(d) Nothing in this section shall prohibit any agency, board, commission, or public institution of higher education from executing contract amendments.

SECTION 1244. Arkansas Code § 19-4-1416(e), concerning job order contracting, is amended to read as follows:

(e)(1) Executed counterparts of a contract entered into by a state agency with respect to job order projects shall be approved by and filed with the Building Authority Division ~~of the Department of Finance and Administration~~ before the issuance of any vouchers making payments under the contract.

(2)(A) The boards of trustees of the University of Arkansas, Arkansas State University, University of Central Arkansas, Henderson State University, Arkansas Tech University, and Southern Arkansas University are exempt from the requirements of this section regarding the approval and filing of the contracts with the ~~division~~ Building Authority Division.

(B)(i) With the exception of those boards of trustees listed in subdivision (e)(2)(A) of this section, the governing board of a public institution of higher education is exempt from filing the contracts with the ~~division~~ Building Authority Division if it receives the approval of the ~~Department~~ Division of Higher Education.

(ii) Before granting approval, the ~~department~~ Division of Higher Education shall review and approve the policies and procedures regarding bidding and construction of capital improvement projects as adopted by the governing board of the public institution of higher education.

(3) A public institution of higher education that is exempt under this section may enter into an agreement with the ~~division~~ Building Authority Division to file its contracts with the ~~division~~ Building Authority

Division.

SECTION 1245. The introductory language of Arkansas Code § 19-4-1604(c), concerning receiving a salary from two agencies, is amended to read as follows:

(c) A person drawing a salary or other compensation from a state agency or institution of higher education shall not be paid a salary or compensation from another institution of higher education except upon the written certification to and approval by the Director of the ~~Department~~ Division of Higher Education that the:

SECTION 1246. Arkansas Code § 19-4-1808 is amended to read as follows:

19-4-1808. Federal funds for vocational schools.

Reimbursements of federal funds to the ~~Department~~ Division of Career and Technical Education Fund Account shall be construed to be income of the fiscal year in which the reimbursements were received.

SECTION 1247. Arkansas Code § 19-5-304 is amended to read as follows:

19-5-304. Education Fund.

The Education Fund shall consist of the following funds and fund accounts made available for the support of the ~~Department of Education~~ Division of Elementary and Secondary Education ~~and the Department~~ the Division of Career and Technical Education, the Adult Education Section of the Division of Workforce Services, and the Office of Skills Development, and shall be used for the same purposes as set out for the following fund accounts:

(1) ~~Department of Education~~ Division of Elementary and Secondary Education Fund Account.

(A) The ~~Department of Education~~ Division of Elementary and Secondary Education Fund Account shall be used to provide for the maintenance, operation, and improvement of the ~~Department of Education~~ Division of Elementary and Secondary Education as created by § 6-10-101 et seq., and any other laws imposing functions, powers, and duties upon the State Board of Education, the ~~Department of Education~~ Division of Elementary and Secondary Education, and the Commissioner of Elementary and Secondary Education, including, but not necessarily limited to, history textbooks

expenses, the Publishing Revolving Account, audio-visual services, textbooks operation, compact for education, including the state's membership, and the state's contribution to the Southern Regional Education Board.

(B) The ~~Department of Education~~ Division of Elementary and Secondary Education Fund Account shall consist of:

(i) Those general revenues as may be provided by the Revenue Stabilization Law, § 19-5-101 et seq.; and

(ii) Nonrevenue income derived from services provided by those programs supported from the ~~Department of Education~~ Division of Elementary and Secondary Education Fund Account, including any rental property located on the State Capitol grounds owned by the ~~Department of Education~~ Division of Elementary and Secondary Education;

(2) ~~Department~~ Division of Career and Technical Education Fund Account.

(A) The ~~Department~~ Division of Career and Technical Education Fund Account shall be used to provide support for those programs placed under the direction of the Director of the ~~Department~~ Division of Career and Technical Education as authorized by §§ 6-11-101, 6-11-102, 25-6-101, 25-6-102, and Acts 1981, No. 64, § 4, and any other laws imposing functions, powers, and duties upon the Career Education and Workforce Development Board, including without limitation the following:

(i) Vocational, technical, and adult education;

(ii) Adult basic education;

(iii) Manpower training;

(iv) Vocational standards;

(v) Industry training programs; and

(vi) Those functions, programs, and responsibilities transferred to the ~~Department~~ Division of Career and Technical Education, the Adult Education Section of the Division of Workforce Services, and the Office of Skills Development, as authorized by these statutes.

(B) The ~~Department~~ Division of Career and Technical Education Fund Account shall consist of those general revenues as may be provided by the Revenue Stabilization Law, § 19-5-101 et seq.;

(3) Educational Television Fund Account.

(A) The Educational Television Fund Account shall be used for the maintenance, operation, and improvement required by the Educational

Television Division of the ~~Department of Education~~ Division of Elementary and Secondary Education in carrying out those powers, functions, and duties of the Arkansas Educational Television Commission as set out in § 6-3-101 et seq. or other duties imposed by law upon the commission.

(B) The Educational Television Fund Account shall consist of those general revenues as may be provided by law and nonrevenue income derived from services provided by the Educational Television Division and any other nonfederal grant funds provided by law;

(4) State Library Fund Account.

(A) The State Library Fund Account shall be used for the maintenance, operation, and improvement required by the Library Division of the Department of Education in carrying out the powers, functions, and duties as set out in § 13-2-201 et seq. or any other duties imposed by law upon the State Library Commission, which were transferred to the Department of Education by §§ 6-11-101, 6-11-102, and 25-6-102.

(B) The State Library Fund Account shall consist of those general revenues as may be provided by law and nonrevenue income derived from services provided by the Library Division of the Department of Education and any other nonfederal grant funds provided by law;

(5) School for the Blind Fund Account.

(A) The School for the Blind Fund Account shall be used for the maintenance, operation, and improvement required by the Arkansas School for the Blind in carrying out those powers, functions, and duties as set out in § 6-43-101 et seq. and § 6-43-201 et seq.

(B) The School for the Blind Fund Account shall consist of those general revenues as may be provided by law and nonrevenue income derived from services provided by the Arkansas School for the Blind and any other nonfederal grant funds provided by law.

(C) Federal reimbursement funds received on account of vocational education programs conducted by the Arkansas School for the Blind shall not be deposited into the School for the Blind Fund Account;

(6) School for the Deaf Fund Account.

(A) The School for the Deaf Fund Account shall be used for the maintenance, operation, and improvement required by the Arkansas School for the Deaf in carrying out the powers, functions, and duties as set out in § 6-43-301 et seq. or other duties imposed by law upon the Arkansas School

for the Deaf, which were transferred to the Department of Education by §§ 6-11-101, 6-11-102, and 25-6-102.

(B) The School for the Deaf Fund Account shall consist of those general revenues as may be provided by law and nonrevenue income derived from services provided by the Arkansas School for the Deaf and any other nonfederal grant funds provided by law.

(C) Federal reimbursement funds received on account of vocational education programs conducted by the Arkansas School for the Deaf shall not be deposited into the School for the Deaf Fund Account;

(7) Rehabilitation Services Fund Account.

(A) The Rehabilitation Services Fund Account shall be used for the maintenance, operation, and improvement required by the Arkansas Rehabilitation Services of the ~~Department of Career Education~~ Division of Workforce Services in carrying out the powers, functions, and duties as set out in § 6-52-101 et seq., the Rehabilitation Act of Arkansas, § 20-79-201 et seq., and § 25-30-201 et seq., and for the adult handicapped program at the Arkansas Health Center.

(B) The Rehabilitation Services Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Nonrevenue income derived from services provided by rehabilitation programs of the Arkansas Rehabilitation Services of the ~~Department of Career Education~~ Division of Workforce Services; and

(iii) Any other nonfederal grant funds provided by law;

(8) Technical Institute and Other Education Fund Accounts.

(A) The Crowley's Ridge Technical Institute Fund Account shall be used for the maintenance, operation, and improvement of Crowley's Ridge Technical Institute. The Crowley's Ridge Technical Institute Fund Account shall consist of:

(i) Those general revenues as may be provided by law; and

(ii) Any other funds made available for the support of Crowley's Ridge Technical Institute which are required to be deposited into the State Treasury by law.

(B) The Northwest Technical Institute Fund Account shall be used for the maintenance, operation, and improvement of Northwest Technical Institute. The Northwest Technical Institute Fund Account shall consist of:

(i) Those general revenues as may be provided by law; and

(ii) Any other funds made available for the support of Northwest Technical Institute which are required to be deposited into the State Treasury by law.

(C) The Riverside Vocational Technical School Fund Account shall be used for the maintenance, operation, and improvement of Riverside Vocational and Technical School. The Riverside Vocational Technical School Fund Account shall consist of:

(i) Those general revenues as may be provided by law; and

(ii) Any other funds made available for the support of Riverside Vocational Technical School which are required to be deposited into the State Treasury by law;

(9) Educational Facilities Partnership Fund Account.

(A) The Educational Facilities Partnership Fund Account shall be used for distribution of grants for programs providing academic school facility and transportation assistance to the public school districts as may be provided by law.

(B) The Educational Facilities Partnership Fund Account shall consist of:

(i) Those general revenues as may be provided by law;

(ii) Moneys transferred from the General Improvement Fund; and

(iii) Any other moneys as may be provided by law; and

(10) Division of Public School Academic Facilities and Transportation Fund Account.

(A) The Division of Public School Academic Facilities and Transportation Fund Account shall be used for the maintenance, operation, and improvement required by the Division of Public School Academic Facilities and

Transportation of the ~~Department of Education~~ Division of Elementary and Secondary Education as may be provided by law.

(B) The Division of Public School Academic Facilities and Transportation Fund Account shall consist of:

(i) Those general revenues as may be provided by law; and

(ii) Any other funds made available for the support of the Division of Public School Academic Facilities and Transportation of the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 1248. Arkansas Code § 19-5-305 is amended to read as follows:

19-5-305. Public School Fund.

(a) The Public School Fund shall consist of the following fund accounts and funds made available for the support of the ~~Department of Education~~ Division of Elementary and Secondary Education, the Arkansas State Library of the ~~Department of Education~~ Division of Elementary and Secondary Education, and the ~~Department~~ Division of Career and Technical Education and shall be used for the same purposes as set out for the following fund accounts:

(1) ~~Department of Education~~ Division of Elementary and Secondary Education Public School Fund Account. The ~~Department of Education~~ Division of Elementary and Secondary Education Public School Fund Account shall be used for grants and aids for the programs administered by the ~~Department of Education~~ Division of Elementary and Secondary Education as authorized by law;

(2) ~~Department~~ Division of Career and Technical Education Public School Fund Account. The ~~Department~~ Division of Career and Technical Education Public School Fund Account shall be used for grants and aids for the programs administered by the ~~Department~~ Division of Career and Technical Education, Adult Education Section of the Division of Workforce Services, Office of Skills Development, consisting of, but not limited to:

(A) General adult education grants;

(B) Adult basic education grants;

(C) Manpower development and training grants;

(D) Vocational-technical and adult education; and

(E) Such other grants and aids as may be authorized by law

for disbursement by the ~~Department~~ Division of Career and Technical Education, Adult Education Section of the Division of Workforce Services, Office of Skills Development; and

(3) State Library Public School Fund Account. The State Library Public School Fund Account shall be used for State Aid to Public Libraries as administered by the Arkansas State Library of the ~~Department of Education~~ Division of Elementary and Secondary Education.

(b) The Public School Fund shall consist of those moneys as may be provided by:

(1) The Revenue Stabilization Law, § 19-5-101 et seq.;

(2) Any federal mineral leasing funds, federal forest reserve funds, federal flood control funds, or any other similar turnback funds in the State Treasury for which the eligible county or school district cannot be identified;

(3) Fines collected pursuant to § 6-21-410 under the Free Textbook Act of 1975, § 6-21-401 et seq.;

(4) Funds remitted by county treasurers for those school districts which have local revenue per student in excess of the local base per student, as set out in § 26-80-101(c);

(5) Amusement machine revenues up to and including thirty thousand dollars ($30,000), as set out in § 26-57-407;

(6) Twenty-five percent (25%) of additional rental vehicle tax revenues under § 26-63-302, to be used exclusively for teacher salaries; and

(7) Such other funds as may be authorized by law.

(c)(1) There is authorized a transfer of up to two hundred thousand dollars ($200,000) per year from the Public School Fund to the ~~Department of Education~~ Division of Elementary and Secondary Education Fund Account or the ~~Department~~ Division of Career and Technical Education Fund Account, or a portion thereof to both, by the Treasurer of State and the Chief Fiscal Officer of the State, upon certification as to the amount required by the Commissioner of Elementary and Secondary Education or by the Director of the ~~Department~~ Division of Career and Technical Education, or both, to the Chief Fiscal Officer of the State.

(2) This transfer shall be used to provide additional support for the administration of the handicapped children program and the vocational-technical and adult education program.

SECTION 1249. Arkansas Code § 19-5-306(9)(B)(iv), concerning the Department of Human Services Fund, is amended to read as follows:

(iv) Funds received from the ~~Department of Education~~ Division of Elementary and Secondary Education for surplus commodities; and

SECTION 1250. The introductory language of Arkansas Code § 19-5-501(b)(1)(E), concerning the Budget Stabilization Trust Fund, is amended to read as follows:

(E) Temporary loans may be made to the institutions of higher education for operational purposes. In making these loans, the following procedures shall be applicable. The institutions of higher education shall submit requests for loans to both the Director of the ~~Department~~ Division of Higher Education and the Chief Fiscal Officer of the State setting forth the need for the loan. The requests shall include at least the following:

SECTION 1251. Arkansas Code § 19-5-501(b)(1)(F), concerning the Budget Stabilization Trust Fund, is amended to read as follows:

(F) The Chief Fiscal Officer of the State and the Director of the ~~Department~~ Division of Higher Education shall review the request for the loan. The Director of the ~~Department~~ Division of Higher Education shall recommend, in writing, the approval or disapproval of the loan and the reasons for the recommendation to the Chief Fiscal Officer of the State. The Chief Fiscal Officer of the State shall review the institution's request, the funds available in the Budget Stabilization Trust Fund, and the recommendation of the Director of the ~~Department~~ Division of Higher Education. The Chief Fiscal Officer of the State may request such additional information as is deemed necessary to make a determination as to whether the request should be approved. If the Chief Fiscal Officer of the State determines that the request is proper and necessary for the operation of the institution and that sufficient funds are available, the Chief Fiscal Officer of the State shall approve the request and establish a repayment schedule for the loan. If the Chief Fiscal Officer of the State determines that the loan is not necessary or required, or that funds are not available, the Chief Fiscal Officer of the State shall deny the request. The Chief Fiscal Officer

of the State shall communicate in writing to the institution and to the Director of the ~~Department~~ Division of Higher Education the reasons for disapproval of the requested loan. All loans made to the institutions of higher education under the provisions of this section shall be repaid in full by June 30 of the fiscal year in which the loan was made. In the event an agency or program is established by the General Assembly which is to be supported solely from other than general revenues or federal funds, the Chief Fiscal Officer of the State may make a temporary loan from the Budget Stabilization Trust Fund to the agency or program to the extent necessary for carrying out the intent of the enabling legislation. The amount of the loan shall be determined by the Chief Fiscal Officer of the State, and the loans shall be repaid in full by June 30 of the fiscal year in which the loan was made;

SECTION 1252. Arkansas Code § 19-5-502(c), concerning loans from the Budget Stabilization Trust Fund, is amended to read as follows:

(c) The ~~Department of Education~~ Division of Elementary and Secondary Education shall have no authority to request loans from the Budget Stabilization Trust Fund to provide moneys for distribution to public school districts in this state, nor to write warrants payable from any funds borrowed from the Budget Stabilization Trust Fund, for making monthly payments to school districts in this state earlier than the fifth day prior to the end of the month.

SECTION 1253. Arkansas Code § 19-5-907(b), concerning the Revolving Loan Fund, is amended to read as follows:

(b) The fund shall consist of the repayment of moneys loaned or invested through the Revolving Loan Program of the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 1254. Arkansas Code § 19-5-960(b), concerning the Private Career School Student Protection Trust Fund, is amended to read as follows:

(b) The fund shall consist of a fee to be set by the ~~Department~~ Division of Higher Education in consultation with the State Board of Private Career Education as provided in § 6-51-607, there to be used for paying claims and other expenses as set out in § 6-51-607.

SECTION 1255. Arkansas Code § 19-5-1004(c), concerning the General Revenue Allotment Reserve Fund, is amended to read as follows:

(c) Any funds that remain in the ~~Department~~ Division of Career and Technical Education Fund Account or the fund accounts created in § 19-5-304(8) at the end of a fiscal year due to the provisions of this section shall be transferred by the Chief Fiscal Officer of the State to the General Improvement Fund or its successor fund or fund accounts, there to be used exclusively to provide additional funding for appropriations for the applicable vocational and technical schools, technical institutes, or comprehensive lifelong learning centers, that are made payable from the General Improvement Fund or its successor fund or fund accounts.

SECTION 1256. Arkansas Code § 19-5-1018(d), concerning the creation of the Higher Education Building Maintenance Fund, is amended to read as follows:

(d) Those funds accruing to the Higher Education Building Maintenance Fund under the provisions of this section shall be disbursed by the Director of the ~~Department~~ Division of Higher Education in accordance with the recommendations of the Arkansas Higher Education Coordinating Board, but only after the board shall determine the projects and priorities for which the funds shall be used, and after the board shall have sought the advice of the Legislative Council with respect to them.

SECTION 1257. Arkansas Code § 19-5-1036(b), concerning the Research Development Fund, is amended to read as follows:

(b) The Research Development Fund shall consist of funds transferred from the Higher Education Building Maintenance Fund and any other moneys provided by the General Assembly, there to be used for the administration and operations of the Arkansas Research Development Program of the ~~Department~~ Division of Higher Education, as set out in the Arkansas Research Development Act, § 6-61-801 et seq.

SECTION 1258. Arkansas Code § 19-5-1076(c)(2) and (3), concerning the intent of the Higher Education Tuition Adjustment Fund, are amended to read as follows:

(2) Further, the ~~Department~~ Division of Higher Education will require each institution to track and report the number of qualifying students each year.

(3) A list of students who benefit from the out-of-state tuition waiver, including their Social Security number or their Arkansas taxpaying parents' or guardians' names and Social Security numbers, will be furnished by the ~~Department~~ Division of Higher Education to the Department of Finance and Administration for confirmation that they or their parents are employed in Arkansas at a wage in excess of five thousand five hundred dollars ($5,500) per annum.

SECTION 1259. Arkansas Code § 19-5-1076(d), concerning the Higher Education Tuition Adjustment Fund, is amended to read as follows:

(d)(1) The Director of the ~~Department~~ Division of Higher Education shall determine the difference between the amount of tuition revenue which would have been generated by charging the Arkansas Higher Education Coordinating Board-approved out-of-state tuition rate to said students as compared to approved in-state or out-of-district rates.

(2) Upon such determination, the Director of the ~~Department~~ Division of Higher Education shall certify to the Chief Fiscal Officer of the State and the Treasurer of State such amounts as are required to be transferred from the Higher Education Tuition Adjustment Fund.

(3) Upon receiving such certification, the Chief Fiscal Officer of the State and the Treasurer of State shall cause to be transferred the necessary funds and appropriation to the fund account of the institution receiving such certification from the Director of the ~~Department~~ Division of Higher Education.

SECTION 1260. Arkansas Code § 19-5-1114(b)(2), concerning the Arkansas Construction Industry Craft Training Trust Fund, is amended to read as follows:

(2) The fund shall be used to support training programs set out in the Arkansas Construction Industry Craft Training Act, § 6-55-101 et seq., administered by the ~~Department~~ Division of Career and Technical Education and the State Apprenticeship Coordination Steering Committee.

SECTION 1261. Arkansas Code § 19-5-1227(c) and (d), concerning the Educational Adequacy Fund, are amended to read as follows:

(c)(1) The Chief Fiscal Officer of the State will determine, from time to time, the amount of funds required from the Educational Adequacy Fund which, when added to other resources available to the ~~Department of Education~~ Division of Elementary and Secondary Education Public School Fund Account of the Public School Fund and the ~~Department of Education~~ Division of Elementary and Secondary Education Fund Account of the Education Fund, is needed to fulfill the financial obligation of the state to provide an adequate educational system as authorized by law and shall certify the amounts to the Treasurer of State.

(2) At the end of each month, the Treasurer of State shall transfer all moneys available from the Educational Adequacy Fund to the ~~Department of Education~~ Division of Elementary and Secondary Education Public School Fund Account of the Public School Fund and to the ~~Department of Education~~ Division of Elementary and Secondary Education Fund Account of the Education Fund until the sum of all transfers from the Educational Adequacy Fund equals the amounts determined in subdivision (c)(1) of this section, there to be used as determined by law.

(d) In the event the Chief Fiscal Officer of the State determines that the transfers from the Educational Adequacy Fund, when added to the other resources available to the ~~Department of Education~~ Division of Elementary and Secondary Education Public School Fund Account of the Public School Fund, are not sufficient to meet the state's financial obligation to provide an adequate educational system as authorized by law, the additional amount required shall be transferred from the other funds and fund accounts, except the Educational Facilities Partnership Fund Account, within §§ 19-5-402 and 19-5-404(a) [repealed] based upon the proportion that each of the remaining fund and fund accounts, excluding the Educational Facilities Partnership Fund Account, bears to the total of the remaining funds and fund accounts in §§ 19-5-402 and 19-5-404(a) [repealed].

SECTION 1262. Arkansas Code § 19-5-1257(c), concerning the Workforce Initiative Act of 2015 Fund, is amended to read as follows:

(c) The fund shall be used by the ~~Department~~ Division of Higher Education for distributing grants to programs identified under § 6-60-107.

SECTION 1263. Arkansas Code § 19-6-462 is amended to read as follows:

19-6-462. Private Career Education Fund.

The Private Career Education Fund shall consist of those special revenues as specified in § 19-6-301(24), there to be used for the maintenance and operations of the ~~Department~~ Division of Higher Education concerning the State Board of Private Career Education in carrying out the functions, powers, and duties as set out in § 6-51-601 et seq.

SECTION 1264. Arkansas Code § 19-7-103(b)(1) and (2), concerning the control of college study programs and basic educational grants, are amended to read as follows:

(b)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall issue rules for the purpose of administering the funds received for college work-study programs and basic educational opportunity grants for the vocational-technical schools.

(2) The ~~Department~~ Division of Higher Education shall issue rules for the purpose of administering the funds received by state colleges and universities.

SECTION 1265. Arkansas Code § 19-11-220(a)(37), concerning agency procurement officials, is amended to read as follows:

(37) ~~Department~~ Division of Higher Education.

SECTION 1266. The introductory language of Arkansas Code § 19-11-605, concerning the authority to transfer excess military property to state and local agencies and service charges, is amended to read as follows:

The Law Enforcement Support Office of the ~~Department of Career Education~~ Department of Public Safety may:

SECTION 1267. Arkansas Code § 19-11-605(3), concerning the authority to transfer excess military property to state and local agencies and service charges, is amended to read as follows:

(3) Establish service charges in an amount necessary to cover the expenses of the ~~Department of Career Education~~ Department of Public Safety incurred in administering this section; and

SECTION 1268. Arkansas Code § 19-11-1004(c)(3)(A), concerning the restrictions on contracts, is amended to read as follows:

(A) The institution of higher education requests and receives written approval from the Director of the ~~Department~~ Division of Higher Education concerning the amount of additional compensation to be paid to any employee; and

SECTION 1269. Arkansas Code § 19-12-113(e)(1), resulting from Initiated Act 1 of 2000 and concerning the establishment and administration of prevention and cessation programs, is amended to read as follows:

(1) The Advisory Committee shall consist of eighteen (18) members; one (1) member to be appointed by the President Pro Tempore of the Senate, one (1) member to be appointed by the Speaker of the House of Representatives, and sixteen (16) members to be appointed by the Governor subject to confirmation by the Senate. The Governor shall consult each of the following designated groups before making an appointment, and shall consist of the following: one (1) member appointed to represent the Arkansas Medical Society, Inc.; one (1) member shall represent the Arkansas Hospital Association, Inc.; one (1) member shall represent the American Cancer Society; one (1) member shall represent the American Heart Association; one (1) member shall represent the American Lung Association; one (1) member shall represent the Coalition for a Tobacco-Free Arkansas; one (1) member shall represent Arkansans for Drug Free Youth; one (1) member shall represent the ~~Department of Education~~ Division of Elementary and Secondary Education; one (1) member shall represent the Arkansas Minority Health Commission; one (1) member shall represent the Arkansas Center for Health Improvement; one (1) member shall represent the Arkansas Association of Area Agencies on Aging; one (1) member shall represent the Arkansas Nurses Association; one (1) member shall represent the University of Arkansas Cooperative Extension Service; one (1) member shall represent the University of Arkansas at Pine Bluff; one (1) member shall represent the League of United Latin American Citizens; and one (1) member shall represent the Arkansas Medical, Dental, and Pharmaceutical Association, Inc. The Executive Committee of Arkansas Students Working Against Tobacco shall serve as youth advisors to this Advisory Committee. All members of this committee shall be residents of the

State of Arkansas.

SECTION 1270. Arkansas Code § 19-12-117(a)(2)-(5), resulting from Initiated Act 1 of 2000 and concerning the creation of the Arkansas Tobacco Settlement Commission, are amended to read as follows:

(2) The Director of the ~~Department of Education~~ Division of Elementary and Secondary Education or his or her designee;

(3) The Director of the ~~Department~~ Division of Higher Education or his or her designee;

(4) The ~~Director~~ Secretary of the Department of Human Services or his or her designee;

(5) The ~~Director~~ Secretary of the Department of Health or his or her designee;

SECTION 1271. The introductory language of Arkansas Code § 20-7-133(b)(1), concerning the creation of the Child Health Advisory Committee, is amended to read as follows:

(b)(1) The ~~Director~~ Secretary of the Department of Health shall appoint:

SECTION 1272. The introductory language of Arkansas Code § 20-7-133(b)(2), concerning the creation of the Child Health Advisory Committee, is amended to read as follows:

(2) The Commissioner of Elementary and Secondary Education shall appoint:

SECTION 1273. Arkansas Code § 20-7-133(b)(2)(A), concerning the creation of the Child Health Advisory Committee, is amended to read as follows:

(A) One (1) member to represent the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 1274. Arkansas Code § 20-7-134(c), concerning the powers and duties of the Child Health Advisory Committee, is amended to read as follows:

(c) The committee shall examine the progress of the Arkansas Coordinated School Health Program and make recommendations to the ~~Department~~

~~of Education~~ Division of Elementary and Secondary Education and the Department of Health concerning the implementation of the Arkansas Coordinated School Health Program.

SECTION 1275. The introductory language of Arkansas Code § 20-7-135(b), concerning the implementation of nutrition and physical activity standards, is amended to read as follows:

(b) The Department of Health in consultation with the ~~Department of Education~~ Division of Elementary and Secondary Education shall:

SECTION 1276. Arkansas Code § 20-7-135(b)(2), concerning the implementation of nutrition and physical activity standards, is amended to read as follows:

(2) Employ one (1) statewide health promotion consultant to be housed within the ~~Department of Education~~ Division of Elementary and Secondary Education if funds are available;

SECTION 1277. The introductory language of Arkansas Code § 20-7-135(d), concerning the implementation of nutrition and physical activity standards, is amended to read as follows:

(d) The ~~Department of Education~~ Division of Elementary and Secondary Education shall:

SECTION 1278. Arkansas Code § 20-7-135(d)(1), concerning the implementation of nutrition and physical activity standards, is amended to read as follows:

(1) Begin the implementation of standards developed by the ~~committee~~ Child Health Advisory Committee and approved by the ~~Department of Education~~ Division of Elementary and Secondary Education; and

SECTION 1279. Arkansas Code § 20-7-135(e)(1)(B)(i), concerning the implementation of nutrition and physical activity standards, is amended to read as follows:

(i) Assisting with the implementation of nutrition and physical activity standards developed by the school nutrition and physical activity advisory committee with the approval of the ~~Department of~~

~~Education~~ Division of Elementary and Secondary Education and the State Board of Health;

SECTION 1280. Arkansas Code § 20-7-135(e)(2), concerning the implementation of nutrition and physical activity standards, is amended to read as follows:

(2) Begin the implementation of standards developed by the ~~committee~~ Child Health Advisory Committee with the approval of the ~~Department of Education~~ Division of Elementary and Secondary Education and the State Board of Health; and

SECTION 1281. The introductory language of Arkansas Code § 20-7-135(f)(1), concerning the implementation of nutrition and physical activity standards, is amended to read as follows:

(f)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education and the Department of Health shall report annually on progress in implementing nutrition and physical education standards to the:

SECTION 1282. Arkansas Code § 20-15-902 is amended to read as follows:

20-15-902. Counseling — Seminars.

The ~~Department of Education~~ Division of Elementary and Secondary Education, the University of Arkansas for Medical Sciences, and the Department of Health shall jointly provide counseling and shall also conduct public seminars designed to educate the public regarding acquired immune deficiency syndrome (AIDS).

SECTION 1283. Arkansas Code § 20-15-1106 is amended to read as follows:

20-15-1106. Coordination of services.

The Department of Health, the ~~Department of Education~~ Division of Elementary and Secondary Education, and the Department of Human Services shall work cooperatively and develop a plan to coordinate early educational and rehabilitative services for newborn infants identified as hearing impaired.

SECTION 1284. Arkansas Code § 20-27-1501(3)(D), concerning body

piercing, branding, and tattooing, is amended to read as follows:

(D) Is a registered instructor for the specified field of body art with the ~~Department~~ Division of Higher Education;

SECTION 1285. Arkansas Code § 20-27-1503(a)(2), concerning the powers of the Department of Health to license, regulate, and inspect for health hazards, is amended to read as follows:

(2) A body art training facility shall be licensed by the Department of Health as an establishment and by the ~~Department~~ Division of Higher Education as an approved body art training facility.

SECTION 1286. Arkansas Code § 20-27-1507(a) and (b), concerning the education of an artist in training, are amended to read as follows:

(a) An artist trainer shall be a registered instructor in a school licensed by the ~~Department~~ Division of Higher Education under § 6-51-601 et seq.

(b) In consultation with the State Board of Private Career Education, the ~~Department~~ Division of Higher Education shall develop standards to determine:

(1) The maximum number of artists in training in a training facility at one time; and

(2) The length of the program in hours and across a range of months.

SECTION 1287. Arkansas Code § 20-27-1507(c)(2)(A), concerning the education of an artist in training, is amended to read as follows:

(2)(A) The artist trainer shall maintain a training log of the clock hours completed by the artist in training on forms approved by the ~~Department~~ Division of Higher Education.

SECTION 1288. Arkansas Code § 20-27-1507(e), concerning the education of an artist in training, is amended to read as follows:

(e) The ~~Department~~ Division of Higher Education shall adopt a minimum curriculum for each area of body art training that shall be followed by all artist trainers, artists in training, and body art training facilities.

SECTION 1289. Arkansas Code § 20-45-302(c)(3), concerning the creation and purpose of the Arkansas Suicide Prevention Council, is amended to read as follows:

(3) A representative of the ~~Department of Education~~ Division of Elementary and Secondary Education, to be designated by the Commissioner of Elementary and Secondary Education;

SECTION 1290. Arkansas Code § 20-45-302(c)(6) and (7), concerning the creation and purpose of the Arkansas Suicide Prevention Council, are amended to read as follows:

(6) A representative of law enforcement, to be designated by the Director of the ~~Department~~ Division of Arkansas State Police;

(7) A representative from higher education, to be designated by the Director of the ~~Department~~ Division of Higher Education;

SECTION 1291. The introductory language of Arkansas Code § 20-47-505(a)(2), concerning the creation of the Child and Adolescent Service System Program Coordinating Council, is amended to read as follows:

(2) The council shall include the following persons to be selected and appointed by the Commissioner of Elementary and Secondary Education and the ~~Director~~ Secretary of the Department of Human Services:

SECTION 1292. Arkansas Code § 20-47-505(a)(2)(E)(i), concerning the creation of the Child and Adolescent Service System Program Coordinating Council, is amended to read as follows:

(E)(i) One (1) or more representatives from specific divisions or agencies in the Department of Human Services and the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 1293. Arkansas Code § 20-47-508(e), concerning the evaluation and treatment of children suspected of having emotional disturbances, is amended to read as follows:

(e) If after screening and assessment or collaborative evaluations it is determined that a child with emotional disturbance needs multiagency services, then initial and subsequent individualized multiagency service plans for the child and the child's family shall be jointly developed by the

appropriate local or regional representatives of the community mental health centers, of the Department of Human Services county office, of the Department of Health, of the Special Education Section of the ~~Department of Education~~ Division of Elementary and Secondary Education, of the local school district, and of any other service provider identified to meet the needs of the child and his or her family. The individualized service plan shall reflect an integrated service delivery that specifies services or programs with funding to be provided by each agency. The service plan shall also designate responsibility for case management.

SECTION 1294. Arkansas Code § 20-64-704(3), concerning the powers and duties of the Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services, is amended to read as follows:

(3) Promote or conduct educational programs on alcoholism, purchase and provide books, films, and other educational material, furnish funds or grants to the ~~Department of Education~~ Division of Elementary and Secondary Education, institutions of higher education, and medical schools for study and research, and modernize instruction regarding the problems of alcoholism;

SECTION 1295. The introductory language of Arkansas Code § 20-64-704(5), concerning the powers and duties of the Division of Aging, Adult, and Behavioral Health Services, is amended to read as follows:

(5) While the ~~division~~ Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services necessarily must, and does, have discretion as to proportions in which it allocates funds to the various aspects of this problem, it is contemplated and intended that the ~~division~~ Division of Aging, Adult, and Behavioral Health Services of the Department of Human Services shall make every reasonable effort not to concentrate too largely on any one (1) phase of the problem at the expense or to the detriment of other phases. For example, but not limited to, the following phases:

SECTION 1296. The introductory language of Arkansas Code § 20-76-102(a), concerning the coordination of state agency service deliveries, are amended to read as follows:

(a) To ensure that all available state government resources are used to help transitional employment assistance recipients make the transition from welfare to work, each of the following state agencies and organizations shall also be required to work with the ~~Department~~ Division of Workforce Services in providing transitional employment assistance services:

SECTION 1297. Arkansas Code § 20-76-102(a)(2) and (3), concerning the coordination of state agency service deliveries, are amended to read as follows:

(2) The ~~Department~~ Division of Higher Education, including community colleges and the University of Arkansas Cooperative Extension Service;

(3) The ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 1298. Arkansas Code § 20-76-102(a)(9), concerning the coordination of state agency service deliveries, is amended to read as follows:

(9) The ~~Department of Career Education~~ Adult Education Section of the Division of Workforce Services; and

SECTION 1299. Arkansas Code § 20-76-102(b), concerning the coordination of state agency service deliveries, is amended to read as follows:

(b) State agencies required under subsection (a) of this section to work with the ~~Department~~ Division of Workforce Services in providing transitional employment assistance services to recipients shall make every effort to use financial resources in their respective budgets and to seek additional funding sources, whether private or federal, to supplement the moneys allocated by the ~~Department~~ Division of Workforce Services for the Transitional Employment Assistance Program.

SECTION 1300. Arkansas Code § 20-76-112 is amended to read as follows:

20-76-112. Human Services Workers in the Schools Program.

(a) The Human Services Workers in the Schools Program is established as a collaborative effort among the Division of Children and Family Services

of the Department of Human Services, the Arkansas Workforce Development Board, the ~~Department of Education~~ Division of Elementary and Secondary Education, and local school districts. The Human Services Workers in the Schools Program is designed to help children and families by:

(1) Promoting safety of children and strengthening of families;

(2) Supporting the community's capacity to produce children who are healthy, children who are in supportive, nurturing, and healthy families, and children who succeed in school; and

(3) Promoting the ~~division's~~ Division of Children and Family Services' family preservation philosophy and family-centered practice.

(b) Upon approval of the board, the ~~division~~ Division of Children and Family Services shall enter into contracts with local school districts to provide funding for the maximum number of human services workers.

(c) A human services worker shall have a bachelor's degree or a master's degree in social work or a related field and shall provide the following services according to skills and training:

(1) Crisis intervention;

(2) School conferences and in-service training;

(3) Home visits;

(4) Transportation for family and student group counseling;

(5) Parent training and activities;

(6) Supportive service referrals;

(7) Individualized coping and conflict management skills; and

(8) Assessment of family and student needs.

(d)(1) Funding for human services workers shall be targeted to schools with eighty percent (80%) or more of their children eligible for the Free and Reduced Lunch Program under the National School Lunch Act, 42 U.S.C. § 1751 et seq.

(2) The ~~Department of Education~~ Division of Elementary and Secondary Education and the ~~division~~ Division of Children and Family Services shall develop criteria to prioritize eligibility for the Human Services Workers in the Schools Program.

(e) The Coordinated Health Services Section of the ~~Department of Education~~ Division of Elementary and Secondary Education shall evaluate the Human Services Workers in the Schools Program annually in coordination with the ~~division~~ Division of Children and Family Services, the board, and the

local school districts that hold contracts.

(f) A parent or a student has the option to refuse any services recommended under the Human Services Workers in the Schools Program.

SECTION 1301. The introductory language of Arkansas Code § 20-76-402(a), concerning the work activities of the Department of Workforce Services, is amended to read as follows:

(a) The ~~Department~~ Division of Workforce Services shall develop and describe categories of approved work activities for transitional employment assistance recipients in accordance with this section. The rules shall be subject to review and recommendation by the Arkansas Workforce Development Board. Approved work activities may include unsubsidized employment, subsidized private sector employment, subsidized public sector employment, education or training, vocational educational training, skills training, job search and job readiness assistance, on-the-job training, micro enterprise, community service, and work experience. For purposes of this section:

SECTION 1302. Arkansas Code § 20-76-402(a)(2)(A)(v), concerning the work activities of the Department of Workforce Services, is amended to read as follows:

(v) Weighting of incentive payments proportionally to the extent to which the recipient has limitations associated with the long-term receipt of welfare and difficulty in sustaining employment. In establishing incentive payments, the ~~Department~~ Division of Workforce Services shall consider the extent of the recipient's prior receipt of welfare, lack of employment experience, lack of education, lack of job skills, and other appropriate factors.

SECTION 1303. Arkansas Code § 20-76-402(a)(2)(B), concerning the work activities of the Department of Workforce Services, is amended to read as follows:

(B) The ~~Department~~ Division of Workforce Services may require an employer to repay some or all of a subsidy or incentive previously paid to an employer under the program unless the recipient is terminated for cause;

SECTION 1304. The introductory language of Arkansas Code § 20-76-402(a)(3)(A), concerning the work activities of the Department of Workforce Services, is amended to read as follows:

(3)(A) "Subsidized public sector employment" is employment by an agency of the federal, state, or local government which is directly supplemented by federal or state funds. A program recipient in subsidized public sector employment shall be eligible for the same benefits as a nonsubsidized employee who performs similar work. Before receiving any subsidy or incentive, an employer shall enter into a written contract with the ~~Department~~ Division of Workforce Services that may include, but not be limited to, provisions addressing any of the following:

SECTION 1305. Arkansas Code § 20-76-402(a)(3)(A)(v), concerning the work activities of the Department of Workforce Services, is amended to read as follows:

(v) Weighting of incentive payments proportionally to the extent to which the recipient has limitations associated with the long-term receipt of welfare and difficulty in sustaining employment. In establishing incentive payments, the ~~Department~~ Division of Workforce Services shall consider the extent of the recipient's prior receipt of welfare, lack of employment experience, lack of education, lack of job skills, and other appropriate factors.

SECTION 1306. Arkansas Code § 20-76-402(a)(3)(B), concerning the work activities of the Department of Workforce Services, is amended to read as follows:

(B) The ~~Department~~ Division of Workforce Services may require an employer to repay some or all of a subsidy and incentive previously paid to an employer under the program unless the recipient is terminated for cause;

SECTION 1307. Arkansas Code § 20-76-402(b)(1), concerning the work activities of the Department of Workforce Services, is amended to read as follows:

(1) Be on the statewide or appropriate area list of occupations in the "Guide to Educational Training Programs for Demand Occupations"

published by the ~~Department~~ Division of Workforce Services;

SECTION 1308. Arkansas Code § 20-76-402(d), concerning the work activities of the Department of Workforce Services, is amended to read as follows:

(d)(1) The ~~Department~~ Division of Workforce Services shall require participation in approved work activities to the maximum extent possible, subject to federal and state funding. If funds are projected to be insufficient to support full-time work activities by all program recipients who are required to participate in work activities, the ~~Department~~ Division of Workforce Services shall screen recipients and assign priority in accordance with the implementation plan.

(2) In accordance with the implementation plan, the ~~Department~~ Division of Workforce Services may limit a recipient's weekly work requirement to the minimum required to meet federal work activity requirements and may develop screening and prioritization procedures within employment opportunity districts or within counties based on the allocation of resources, the availability of community resources, or the work activity needs of the employment opportunity district or county.

SECTION 1309. Arkansas Code § 20-76-402(e)(3), concerning the work activities of the Department of Workforce Services, is amended to read as follows:

(3) The ~~Department~~ Division of Workforce Services shall establish and maintain a grievance procedure for resolving complaints of alleged violations of subdivision (e)(2) of this section.

SECTION 1310. The introductory language of Arkansas Code § 20-76-402(f), concerning the work activities of the Department of Workforce Services, is amended to read as follows:

(f) The ~~Department~~ Division of Workforce Services, subject to review and recommendation by the ~~board~~ Arkansas Workforce Development Board, shall establish criteria to exempt or temporarily defer the following persons from any work activity requirement:

SECTION 1311. Arkansas Code § 20-76-402(f)(1), concerning the work

activities of the Department of Workforce Services, is amended to read as follows:

(1) An individual required to care for a recipient child until the child reaches twelve (12) months of age, if the caregiver is an active participant in a home-based or part-time center-based quality-approved early learning program, where available, that requires parental involvement and is approved by the ~~Department of Education~~ Division of Elementary and Secondary Education under the Arkansas Better Chance Program Act, § 6-45-101 et seq.;

SECTION 1312. Arkansas Code § 20-76-402(f)(9), concerning the work activities of the Department of Workforce Services, is amended to read as follows:

(9) An individual who, as determined by a ~~Department~~ Division of Workforce Services case manager, is unable to participate in work activities due directly to the effects of domestic violence. All case manager determinations made under this subdivision (f)(9) shall be reviewed by a supervisor within five (5) days of such determination;

SECTION 1313. Arkansas Code § 20-76-404 is amended to read as follows:

20-76-404. Duration of assistance — Extended support services.

(a)(1) Beginning July 1, 1998, the ~~Department~~ Division of Workforce Services shall not provide financial assistance to a family that includes an adult recipient who has received financial assistance for more than twenty-four (24) months, except as provided in subsection (c) of this section.

(2) The number of months need not be consecutive and shall include the time a recipient receives financial assistance from another state.

(3) The ~~Department~~ Division of Workforce Services may by regulation establish other limitations on the receipt of financial assistance not inconsistent with state or federal law.

(b)(1) The ~~Department~~ Division of Workforce Services shall certify to the Governor, the House Committee on Public Health, Welfare, and Labor, and the Senate Committee on Public Health, Welfare, and Labor when the support services necessary for program recipients to obtain employment or participate in allowable work activities are available.

(2) The ~~Department~~ Division of Workforce Services may certify

subsets of program recipients, including without limitation recipients in a certain geographical area or employment opportunity district or program recipients with a high school diploma or high school equivalency diploma approved by the ~~Department of Career Education~~ Adult Education Section of the Division of Workforce Services.

(3) Before implementing the twenty-four-month cumulative limit on financial assistance, the ~~Department~~ Division of Workforce Services shall notify program recipients by direct mail or contact and by other means reasonably calculated to reach to current and potential program recipients, including, but not limited to, the posting of notices in county offices.

(c) The ~~Department~~ Division of Workforce Services shall exempt or temporarily defer within thirty (30) calendar days the following persons from the twenty-four-month cumulative limit on financial assistance:

(1) An individual, as determined by a ~~Department~~ Division of Workforce Services case manager, who cooperated and participated in activities, but was unable to obtain employment because of circumstances or barriers beyond his or her control;

(2) Child-only cases;

(3) An individual unable to obtain employment because of the lack of support services necessary to overcome barriers to employment;

(4) A parent or caregiver over sixty (60) years of age;

(5) A parent or caregiver who is caring for a disabled child relative or disabled adult relative, based upon criteria set forth in ~~Department~~ Division of Workforce Services regulations;

(6) A disabled parent or caregiver, based upon criteria set forth in ~~Department~~ Division of Workforce Services regulations;

(7) A parent less than eighteen (18) years of age who resides in the home of a parent or in an approved adult-supervised setting and who participates in full-time education or training;

(8) An individual, who as determined by a ~~Department~~ Division of Workforce Services case manager, is unable to obtain employment due directly to the effects of domestic violence. All case manager determinations made under this subdivision (c)(8) shall be reviewed by a supervisor within five (5) days of the determination;

(9) Other individuals as determined by the ~~Department~~ Division of Workforce Services, including, but not limited to, a child when necessary

to protect the child from the risk of neglect, as defined by § 12-18-103(14); and

(10) Individuals participating in education and training activities who have reached the end of their twenty-four-month cumulative limit on financial assistance, have complied with all transitional employment assistance regulations, are making satisfactory academic progress as determined by the academic institution or training program in which the individual is currently enrolled, and are expected to complete the requirements for the education or training program within a reasonable period of time as defined in regulations issued by the ~~Department~~ Division of Workforce Services.

(d)(1) No months shall be counted toward a person's twenty-four-month cumulative limit on financial assistance while he or she is receiving a deferral or exemption.

(2) There shall be no limit on the length or the number of deferrals or exemptions granted each person as long as the person meets any of the criteria outlined in subsection (c) of this section.

(3) The ~~Department~~ Division of Workforce Services shall periodically review each case to determine whether the person still meets any of the criteria outlined in subsection (c) of this section.

(4)(A) The ~~Department~~ Division of Workforce Services shall carry out an enhanced review of all cases six (6) months before the expiration of the time limit.

(B) The review shall assess the barriers that remain to the adult or adults in the case obtaining employment, what enhanced services can be provided to enable him or her to obtain employment, and whether the case should be given a six-month extension or be exempted from the time limit.

(C) The ~~Department~~ Division of Workforce Services shall make every reasonable effort to deliver the available services identified in subdivision (d)(4)(B) of this section.

(D) The ~~Department~~ Division of Workforce Services shall grant an extension at the time for review if the client meets one (1) of the grounds for extension.

(E) The ~~Department~~ Division of Workforce Services shall carry out a further review at the end of the extension period.

(e)(1) A recipient who was eligible for Medicaid and loses his or her financial assistance due to earnings and whose income remains below one hundred eighty-five percent (185%) of the federal poverty level shall remain eligible for transitional Medicaid without reapplication during the immediately succeeding twelve-month period if private medical insurance is unavailable from the employer.

(2) A recipient who loses his or her financial assistance due to earnings and who is employed shall be eligible for:

(A) Childcare assistance at no cost and without reapplication for a cumulative period of twelve (12) months; and

(B) Twenty-four (24) additional months of childcare assistance provided on a sliding fee scale or other cost-sharing arrangement as determined by the ~~Department~~ Division of Workforce Services.

(3) The ~~Department~~ Division of Workforce Services may reduce the period of transitional childcare to a total of twenty-four (24) months for recipients who lose assistance at a specified date after the ~~Department~~ Division of Workforce Services' decision to limit the assistance if the ~~Department~~ Division of Workforce Services certifies to the Governor and the Chief Fiscal Officer of the State that the reduction is necessary to avoid overspending the biennial budget for childcare.

(4) The transitional childcare assistance available to former recipients shall not exceed the cumulative number of months provided under subdivisions (e)(2) and (3) of this section, regardless of whether the former recipient reenters the Transitional Employment Assistance Program.

(f)(1) The ~~Department~~ Division of Workforce Services shall deny Medicaid, childcare, and transportation assistance during the twelve-month period for any month in which the recipient's family does not include a dependent child.

(2) The ~~Department~~ Division of Workforce Services shall notify the recipient of transitional Medicaid, childcare, and transportation assistance when the recipient is notified of the termination of cash assistance. The notice shall include a description of the circumstances in which the transitional Medicaid and childcare assistance may be terminated.

(g)(1) In order to assist current and former program recipients in continuing training and upgrading skills, transitional education or training may be provided to a recipient for up to one (1) year after the recipient is

no longer eligible to participate in the program due to employment earnings.

(2) Education or training resources available in the community at no additional cost to the ~~Department~~ Division of Workforce Services shall be used whenever possible.

(3) Transitional education or training shall be employment-related and may include education or training to improve a recipient's job skills in the recipient's existing area of employment or may include education or training to prepare a recipient for employment in another occupation.

(4) The ~~Department~~ Division of Workforce Services may enter into an agreement with an employer to share the costs relating to upgrading the skills of recipients hired by the employer.

(h) Other extended support services may be available to recipients no longer eligible for financial assistance under transitional employment assistance.

(i)(1) By August 1, 2001, the ~~Department~~ Division of Workforce Services shall develop a plan, subject to review and recommendation by the Arkansas Workforce Development Board, to monitor and protect the safety and well-being of the children within a family whose temporary assistance is terminated for any reason other than the family's successful transition to economic self-sufficiency.

(2)(A) Actions required by the plan shall include at least one (1) home visit with the parents and children.

(B) Every reasonable effort shall be made to make contact with all families, including visits during evenings and on weekends.

(C) The first home visit shall occur within six (6) months after the termination of cash assistance.

(D) The purposes of the home visits shall include checking on the well-being of children in those families and determining whether the families need available services.

(3) The ~~Department~~ Division of Workforce Services may contract with other state agencies, private companies, local government agencies, or community organizations for the conducting of these visits.

(4) The board shall submit a report to the Governor and the Chair of the House Committee on Public Health, Welfare, and Labor and the Chair of the Senate Committee on Public Health, Welfare, and Labor that

report on the outcomes of the home visits and provide separate information for families who left transitional assistance due to noncompliance and time limits.

(j) As part of the home visits, families shall be informed about the availability of Medicaid and ARKids First, food stamps, childcare, housing assistance, any other supportive services offered by the ~~Department~~ Division of Workforce Services or the Department of Health designed to help meet the basic needs and well-being of children, federal and state earned income tax credits, individual development accounts, employment counseling services, and education and training opportunities designed to increase the future earnings and employment prospects of clients.

SECTION 1314. Arkansas Code § 20-76-437 is amended to read as follows:

20-76-437. Reporting — Transitional employment assistance.

The Department of Human Services, the ~~Department~~ Division of Workforce Services, the Department of Health, the ~~Department of Education~~ Division of Elementary and Secondary Education, the ~~Department~~ Division of Higher Education, the ~~Department of Career Education~~ Adult Education Section of the Division of Workforce Services, the Arkansas Development Finance Authority, the Arkansas Economic Development Council, and the Arkansas Department of Transportation shall report periodically to the House Committee on Public Health, Welfare, and Labor and the Senate Committee on Public Health, Welfare, and Labor regarding the provision of services to Transitional Employment Assistance Program recipients.

SECTION 1315. Arkansas Code § 20-76-443(a)(1) and (2), concerning the education and training of Transitional Employment Assistance Program recipients, are amended to read as follows:

(a)(1) The Department of Human Services and the ~~Department~~ Division of Workforce Services shall permit Transitional Employment Assistance Program recipients to obtain the education and training they need to obtain jobs that pay wages allowing them to be economically self-sufficient.

(2) Program recipients who are assessed as having basic education deficiencies shall be allowed to combine educational activities leading to a high school diploma or high school equivalency diploma approved by the ~~Department of Career Education~~ Adult Education Section of the Division

of Workforce Services and employment and work experience. Participants may be required to engage in internships, work experience, or employment. Work requirements shall not exceed fifteen (15) hours per week unless the Department of Human Services certifies that allowing education to count toward Transitional Employment Assistance Program recipients' required work activities would affect the state's ability to meet federal work participation rates. To the extent possible, educational activities shall take place in a work context.

SECTION 1316. Arkansas Code § 20-76-443(d)(2), concerning the education and training of Transitional Employment Assistance Program recipients, is amended to read as follows:

(2) The ~~Department~~ Division of Workforce Services and the Arkansas Early Childhood Commission jointly shall promulgate rules to develop an evening childcare program with extended hours under subdivision (d)(1) of this section.

SECTION 1317. Arkansas Code § 20-76-443(d)(2), concerning the education and training of Transitional Employment Assistance Program recipients, is amended to read as follows:

(2) The ~~Department~~ Division of Workforce Services and the Arkansas Early Childhood Commission jointly shall promulgate rules to develop an evening childcare program with extended hours under subdivision (d)(1) of this section.

SECTION 1318. Arkansas Code § 20-76-445(b)(1)(A), concerning the findings regarding the Career Pathways Initiative, is amended to read as follows:

(b)(1)(A) The ~~Department~~ Division of Workforce Services, the ~~Department~~ Division of Higher Education, and the Arkansas Workforce Development Board shall work jointly to develop a plan for the Career Pathways Initiative.

SECTION 1319. The introductory language of Arkansas Code § 20-76-445(d), concerning the findings regarding the Career Pathways Initiative, is amended to read as follows:

(d) Under the initiative, the ~~Department~~ Division of Higher Education shall contract to provide education and training that will result in job training certificates or higher education degrees for Transitional Employment Assistance Program participants and other low-income adults with:

SECTION 1320. Arkansas Code § 20-76-445(e)(2), concerning the findings regarding the Career Pathways Initiative, is amended to read as follows:

(2) Applications shall be made to the ~~Department~~ Division of Higher Education.

SECTION 1321. Arkansas Code § 20-76-445(f), concerning the findings regarding the Career Pathways Initiative, is amended to read as follows:

(f) The ~~Department~~ Division of Higher Education shall determine which two-year college proposals are funded under the initiative.

SECTION 1322. Arkansas Code § 20-77-1604(c)(1)(A), concerning the creation of the Arkansas Youth Suicide Prevention Task Force, is amended to read as follows:

(c)(1)(A) The Governor shall consult the ~~Department of Education~~ Division of Elementary and Secondary Education before appointing a student member.

SECTION 1323. Arkansas Code § 20-77-1606(a)(2), concerning the Arkansas Youth Suicide Prevention Task Force meetings, is amended to read as follows:

(2) The Commissioner of Elementary and Secondary Education shall call the first meeting of the task force no later than thirty (30) days after all of the members are appointed to the task force.

SECTION 1324. Arkansas Code § 20-77-1606(e)(1), concerning the Arkansas Youth Suicide Prevention Task Force meetings, is amended to read as follows:

(e)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education shall provide staff and office space to the task force.

SECTION 1325. The introductory language of Arkansas Code § 20-78-

205(a), concerning the creation of the Division of Child Care and Early Childhood Education, is amended to read as follows:

(a)(1) There is created the Division of Child Care and Early Childhood Education within the Department of Human Services. In creating the ~~division~~ Division of Child Care and Early Childhood Education, the General Assembly intends for the following to be maintained and enhanced:

SECTION 1326. The introductory language of Arkansas Code § 20-78-205(b), concerning the creation of the Division of Child Care and Early Childhood Education, is amended to read as follows:

(b) The ~~division~~ Division of Child Care and Early Childhood Education shall have the following duties:

SECTION 1327. Arkansas Code § 20-78-205(b)(2), concerning the creation of the Division of Child Care and Early Childhood Education, is amended to read as follows:

(2) Administration of the Arkansas Better Chance Program, under interagency agreement with the ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 1328. Arkansas Code § 20-78-205(c)(1), concerning the creation of the Division of Child Care and Early Childhood Education, is amended to read as follows:

(c)(1) In addition to any other rights, powers, functions, and duties granted by law to the ~~division~~ Division of Child Care and Early Childhood Education, the Department of Human Services is hereby authorized to promote and cooperate in the establishment of a foundation under the Arkansas nonprofit corporation law and to accept support and assistance in the form of money, property, or otherwise from the foundation to be used to enhance quality, affordability, and availability of child care and early education for all children in the state.

SECTION 1329. Arkansas Code § 20-78-502(a)(6), concerning the duties of the Arkansas Early Childhood Commission, is amended to read as follows:

(6) Advising the ~~Department of Education~~ Division of Elementary and Secondary Education and other appropriate state agencies on the

development of programmatic standards for early childhood programs to be funded with funds appropriated to the ~~department~~ Division of Elementary and Secondary Education or to such other state agencies as may receive appropriations for such purposes;

SECTION 1330. Arkansas Code § 20-78-502(b), concerning the duties of the Arkansas Early Childhood Commission, is amended to read as follows:

(b) The ~~division~~ Division of Child Care and Early Childhood Education shall assist the commission in carrying out its duties and responsibilities.

SECTION 1331. Arkansas Code § 21-5-223(b)(1), concerning severance pay, is amended to read as follows:

(b)(1) If the head of an institution of higher education determines that it is necessary to implement the state workforce reduction policy due to institution organization structure change, budgetary reductions, abolishment of positions or duties, loss of functional responsibility by the institution, or the loss of federal funding, grants, or other special funds, the head of the institution, upon approval by the Director of the ~~Department~~ Division of Higher Education, may authorize the payment of funds on a regular payroll schedule as severance pay to full-time, part-time, and job sharing classified employees in regular positions affected by the workforce reduction on the basis of the following pro rata lump sum for completed years of service, including any formally implemented probationary period:

Over one (1) year up to five (5) years Eight hundred dollars ($800)

Over five (5) years up to fifteen (15) years One thousand two hundred dollars ($1,200)

Over fifteen (15) years One thousand six hundred dollars ($1,600).

SECTION 1332. Arkansas Code § 21-5-1001(b)(2), concerning the legislative intent regarding employee performance evaluations, is amended to read as follows:

(2) Institution of higher education employees shall be evaluated using an instrument approved by the ~~Department~~ Division of Higher Education.

SECTION 1333. Arkansas Code § 21-5-1203(b), concerning the

compensation of public school district employees and emergency activities, is amended to read as follows:

(b) The ~~Department of Education~~ Division of Elementary and Secondary Education shall establish appropriate procedures for the administration of this section.

SECTION 1334. The introductory language of Arkansas Code § 21-5-1402(7)(B), concerning the Higher Education Uniform Classification and Compensation Act, is amended to read as follows:

(B) The ~~Department~~ Division of Higher Education may authorize a temporary crossgrade through a change in the classification of a position from the classification authorized in an institution's appropriation act between legislative sessions to assure correct classification and for other purposes with the following restrictions:

SECTION 1335. Arkansas Code § 21-5-1402(7)(B)(iii) and (iv), concerning the Higher Education Uniform Classification and Compensation Act, are amended to read as follows:

(iii) Positions that have been crossgraded may be restored to the original authorized class during the fiscal year with the approval of the ~~department~~ division for those positions within the same occupational group;

(iv) Position classifications may be crossgraded or restored to their original classifications only after the review and approval of the ~~department~~ division;

SECTION 1336. Arkansas Code § 21-5-1402(13)(A)(ii), concerning the Higher Education Uniform Classification and Compensation Act, is amended to read as follows:

(ii) The ~~department~~ division may authorize job sharing for any regular full-time position.

SECTION 1337. Arkansas Code § 21-5-1402(13)(B), concerning the Higher Education Uniform Classification and Compensation Act, is amended to read as follows:

(B) The Director of the ~~Department~~ Division of Higher

Education or his or her designee shall promulgate necessary rules to carry out this subdivision (13);

SECTION 1338. Arkansas Code § 21-5-1402(20)(E), concerning the Higher Education Uniform Classification and Compensation Act, is amended to read as follows:

(E) Interim reclassifications approved by the ~~department~~ division shall be implemented through the crossgrading of existing positions within an institution of higher education or through the acquisition of pool positions as authorized in § 21-5-1414(a)(1).

SECTION 1339. The introductory language of Arkansas Code § 21-5-1405(a), concerning the duties of the Department of Higher Education, is amended to read as follows:

(a) The ~~Department~~ Division of Higher Education shall perform the following administrative duties with respect to the institution of higher education classification and compensation plan, subject to this subchapter:

SECTION 1340. Arkansas Code § 21-5-1405(a)(3)(A), concerning the duties of the Department of Higher Education, is amended to read as follows:

(3)(A) Authorize the temporary reclassification of positions in an institution affected by this subchapter in cases in which it has been determined by the ~~department~~ division that there are material changes in the duties and responsibilities assigned to the position when there is no available vacant position having the proper classification and when it is impracticable to restructure the duties of the position to the proper classification.

SECTION 1341. Arkansas Code § 21-5-1405(a)(4)(B), concerning the duties of the Department of Higher Education, is amended to read as follows:

(B) When necessary, the ~~department~~ division shall confer with the staff of the Legislative Council on the development of and revisions to uniform classification and compensation systems.

SECTION 1342. Arkansas Code § 21-5-1405(a)(6)(C), concerning the duties of the Department of Higher Education, is amended to read as follows:

(C) The procedure under subdivision (a)(6)(A) of this section shall require the final approval of the Director of the ~~Department~~ division of Higher Education, with the review of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee;

SECTION 1343. The introductory language of Arkansas Code § 21-5-1405(a)(7)(B), concerning the duties of the Department of Higher Education, is amended to read as follows:

(B) Unqualified appointments shall be reported by the ~~department~~ division to the Legislative Council unless one (1) of the following actions is taken:

SECTION 1344. The introductory language of Arkansas Code § 21-5-1405(b), concerning the duties of the Department of Higher Education, is amended to read as follows:

(b) To ensure and provide for the accuracy and efficiency of this subchapter and to provide for an efficient and equitable system of personnel management, the ~~department~~ division, with the review of the Legislative Council, shall:

SECTION 1345. Arkansas Code § 21-5-1409(a), concerning the implementation procedure for grade changes and salary, is amended to read as follows:

(a) The ~~Department~~ Division of Higher Education has administrative responsibility for enforcing compliance by institutions of higher education affected by this subchapter in implementing classification and grade changes.

SECTION 1346. Arkansas Code § 21-5-1409(b)(1)(A)(i), concerning the implementation procedure for grade changes and salary, is amended to read as follows:

(i) By a percentage up to two percent (2%) with written approval by the Director of the ~~Department~~ Division of Higher Education; or

SECTION 1347. Arkansas Code § 21-5-1409(e), concerning the implementation procedure for grade changes and salary, is amended to read as

follows:

(e) All percentage calculations stipulated in this subchapter or any other law affecting salaries of employees of institutions of higher education may be rounded to the nearest even-dollar amount by the ~~Department~~ Division of Higher Education when making the increases to employee salaries as provided under subdivision (b)(1) of this section.

SECTION 1348. Arkansas Code § 21-5-1410(a)(1)(B)(i), concerning new appointment to positions in an institution of higher education and other compensation plan provisions, is amended to read as follows:

(B)(i) An institution may request a special rate of pay for a specific classification due to prevailing market rates of pay to hire a new employee up to the midpoint pay level of the appropriate grade of a classification on the appropriate pay plan with the written approval of the Director of the ~~Department~~ Division of Higher Education.

SECTION 1349. Arkansas Code § 21-5-1410(a)(1)(B)(iii) and (iv), concerning new appointment to positions in an institution of higher education and other compensation plan provisions, are amended to read as follows:

(iii) A special rate of pay shall not be approved under this section unless the classification is properly reviewed and the special rate of pay is approved as a market-rate classification for the grade and listed on a register of such pay levels by classification maintained by the ~~Department~~ Division of Higher Education.

(iv) The ~~department~~ division shall file a report of all such classifications with the Legislative Council, or if the General Assembly is in session, the Joint Budget Committee, within the month following the approval.

SECTION 1350. Arkansas Code § 21-5-1410(a)(1)(C)(ii), concerning new appointment to positions in an institution of higher education and other compensation plan provisions, is amended to read as follows:

(ii) The ~~department~~ division shall file a report of all the employee salary adjustments under subdivision (a)(1)(C)(i) of this section with the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, within the month following the approval;

or

SECTION 1351. Arkansas Code § 21-5-1410(c)(1), concerning new appointment to positions in an institution of higher education and other compensation plan provisions, is amended to read as follows:

(1) Employee meets or exceeds the eligibility requirements approved by the ~~department~~ division after review by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, which shall include at a minimum:

SECTION 1352. Arkansas Code § 21-5-1410(f)(2), concerning new appointment to positions in an institution of higher education and other compensation plan provisions, is amended to read as follows:

(2) An employee who is placed in a lower-graded position on either compensation plan because the original position has expired due to lack of funding, program changes, or withdrawal of federal grant funds may continue to be paid at the same rate as the employee was being paid in the higher-graded position upon approval of the ~~department~~ Division after seeking the review of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

SECTION 1353. The introductory language of Arkansas Code § 21-5-1411(a)(1), concerning shift differentials, is amended to read as follows:

(a)(1) Upon the approval of the ~~Department~~ Division of Higher Education, an employee whose working hours do not conform to normal state business hours shall be eligible for additional compensation up to twelve percent (12%) of the hourly rate for which he or she is eligible under this subchapter as a shift differential if:

SECTION 1354. Arkansas Code § 21-5-1411(c)(3)(B), concerning shift differentials, is amended to read as follows:

(B) The shift schedule, classifications, positions, and the percentage of shift differential for which the class titles are eligible shall be submitted to the ~~department~~ division for approval by the Director of the ~~Department~~ Division of Higher Education.

SECTION 1355. Arkansas Code § 21-5-1411(e), concerning shift differentials, is amended to read as follows:

(e) The ~~department~~ division shall report all shift differential approvals to the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

SECTION 1356. Arkansas Code § 21-5-1412(b)(1)(D), concerning compensation differentials, is amended to read as follows:

(D) Compensation differential plan has been approved by the ~~Department~~ Division of Higher Education after review by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

SECTION 1357. Arkansas Code § 21-5-1412(c)(2)(B) and (C), concerning compensation differentials, are amended to read as follows:

(B) The positions shall be certified by the head of the institution as having been assigned to a work environment that poses an increased risk of personal injury and shall be submitted as part of the plan for payment of hazardous duty differential to the ~~department~~ division for approval by the Director of the ~~Department~~ Division of Higher Education after review and approval of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

(C) Subsequent changes to the facility or unit, location, and eligible positions or classifications within the facility or unit on file with the ~~department~~ division shall receive prior approval by the director after review and approval of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

SECTION 1358. Arkansas Code § 21-5-1413(a)(1)(D), concerning salary administration grids, is amended to read as follows:

(D) Salary administration grid has been approved by the Director of the ~~Department~~ Division of Higher Education after review by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

SECTION 1359. Arkansas Code § 21-5-1413(a)(2)(E), concerning salary

administration grids, is amended to read as follows:

(E) A plan of implementation and salary progression shall be approved by the ~~Department~~ Division of Higher Education on a biennial basis.

SECTION 1360. Arkansas Code § 21-5-1413(a)(3), concerning salary administration grids, is amended to read as follows:

(3) An approved salary administration grid may be amended only upon approval by the ~~department~~ division after review by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

SECTION 1361. Arkansas Code § 21-5-1413(b)(3), concerning salary administration grids, is amended to read as follows:

(3) The ~~department~~ division shall promulgate rules regarding the implementation and use of a salary administration grid with the review of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

SECTION 1362. Arkansas Code § 21-5-1415(a), concerning position pools to be established and maintained by the Department of Higher Education, is amended to read as follows:

(a) The ~~Department~~ Division of Higher Education shall establish and maintain a central pool of four hundred (400) positions to be used to establish additional positions in an institution of higher education when an institution does not have sufficient positions available to meet unanticipated enrollment growth, industry training demands, or its mandated responsibilities.

SECTION 1363. Arkansas Code § 21-5-1415(d) and (e), concerning position pools to be established and maintained by the Department of Higher Education, are amended to read as follows:

(d) The institution shall provide justification to the ~~department~~ division for the need to allocate positions from the central pool.

(e) Titles shall not be assigned to the institution from the central pool until specific positions are requested by the institution, recommended

by the ~~department~~ division, and reviewed by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

SECTION 1364. Arkansas Code § 21-5-1416(b), concerning annual career service recognition payments for employees of institutions of higher education, is amended to read as follows:

(b) The ~~Department~~ Division of Higher Education shall establish and publish policies and procedures for the administration of career service recognition payments to employees of institutions upon a determination by the Director of the ~~Department~~ Division of Higher Education that the respective institution has sufficient funds available for that purpose.

SECTION 1365. Arkansas Code § 21-5-1417(a), concerning the Merit Increase Pay System, is amended to read as follows:

(a) The ~~Department~~ Division of Higher Education may develop and implement a merit increase pay system in accordance with the performance evaluation process under § 21-5-1001 for the employees of all institutions covered by this subchapter.

SECTION 1366. Arkansas Code § 21-5-1417(d), concerning the Merit Increase Pay System, is amended to read as follows:

(d) Merit payments may be awarded to employees who satisfy performance evaluation-based criteria developed by institutions in accordance with rules and policies developed and approved by the ~~Department~~ Division of Higher Education after review by the Legislative Council.

SECTION 1367. Arkansas Code § 21-6-406(a)(52), concerning clerks of county courts and miscellaneous fees, is amended to read as follows:

(52) For each abstract forwarded to the Auditor of State and to the Director of the ~~Department of Education~~ Division of Elementary and Secondary Education 1.00

SECTION 1368. Arkansas Code § 22-2-113(a)(2), concerning the schedule of supervision for type three cases when constructing public buildings or capital improvements, is amended to read as follows:

(2) Assist the agency in reviewing architectural proposals and

advising the agency in the selection of persons to perform architectural and engineering services, but the agency shall have the responsibility of selecting those persons. However, nothing in this subdivision (a)(2) shall affect the power and responsibility of the ~~division~~ Building Authority Division to review and approve architectural and engineering design plans and to negotiate contracts for architects' and engineers' services as otherwise provided in this section;

SECTION 1369. Arkansas Code § 22-2-113(a)(6), concerning the schedule of supervision for type three cases when constructing public buildings or capital improvements, is amended to read as follows:

(6) Advise and assist the agency in the selection of persons to perform construction services, but the agency shall have the responsibility of selecting the persons to perform the services. However, nothing in this subdivision (a)(6) shall affect the powers and responsibilities of the ~~division~~ Building Authority Division consistent with subdivisions (a)(7) and (8) of this section;

SECTION 1370. Arkansas Code § 22-2-113(a)(7)(B)(ii), concerning the schedule of supervision for type three cases when constructing public buildings or capital improvements, is amended to read as follows:

(ii) The State Parks, Recreation, and Travel Commission shall ensure that an unpaved trail project created under this subdivision (a)(7) meets the standards for observation by registered professionals as established by the ~~division~~ Building Authority Division;

SECTION 1371. Arkansas Code § 22-2-113(b), concerning the schedule of supervision for type three cases when constructing public buildings or capital improvements, is amended to read as follows:

(b)(1) The boards of trustees of the University of Arkansas, Arkansas State University, University of Central Arkansas, Henderson State University, Arkansas Tech University, and Southern Arkansas University, respectively, are exempt from review, consultation, assistance, advice, and approval by the ~~division~~ Building Authority Division for those items listed in subsection (a) of this section. Upon approval of the ~~Department~~ Division of Higher Education, the governing boards of all other public institutions of higher

education shall be exempt from review and approval by the ~~division~~ Building Authority Division for those items listed in subsection (a) of this section. However, prior to granting such approval, the ~~Department~~ Division of Higher Education shall have reviewed and approved policies and procedures adopted by the governing board with respect to bidding and construction of capital improvement projects. Nothing in this subdivision (b)(1) shall prevent any of the foregoing institutions exempt from review and approval of the ~~division~~ Building Authority Division from entering into an agreement with the ~~division~~ Building Authority Division to provide reviews and approval of all items listed in subsection (a) of this section.

(2) However, any of the foregoing boards which are exempt as set forth in subdivision (b)(1) of this section and which do not enter into an agreement with the ~~division~~ Building Authority Division shall adopt policies and procedures involving the bidding and awarding of capital improvement contracts and shall furnish such policies and procedures to the ~~Department~~ Division of Higher Education for its review and advice. It is the intention of this section that any and all adopted policies and procedures pertaining to the bidding and awarding of capital improvement contracts from public funds as stated herein shall provide a uniformity among the foregoing institutions with respect to the policies and procedures to be followed.

SECTION 1372. Arkansas Code § 22-3-2011(b), concerning the applicability of energy conservation in public buildings, is amended to read as follows:

(b)(1) The board of trustees of any institution of higher education that is not included under subsection (a) of this section may be exempted from the provisions of this subchapter by the ~~Department~~ Division of Higher Education.

(2) Before granting an exemption to a board of trustees of an institution of higher education under subdivision (b)(1) of this section, the ~~department~~ Division of Higher Education shall review and approve the policies and procedures to meet the specific performance criteria and goals for a major facility or major renovation.

SECTION 1373. Arkansas Code § 22-6-601(a)(1)(A), concerning the sale procedure for lands of state institutions, is amended to read as follows:

(a)(1)(A) The several state boards or commissions having supervision of the affairs of the charitable, penal, correctional, educational, and other institutions of the State of Arkansas and all other state boards and commissions, except the State Highway Commission, the Arkansas State Game and Fish Commission, the Arkansas Natural Heritage Commission, the State Parks, Recreation, and Travel Commission, the ~~Department~~ Division of Higher Education, and institutions of higher education, and the executive heads of all state offices, departments, and agencies, all referred to separately as "state agency", may sell or purchase, for cash in hand and upon compliance with the provisions of this section, the lands, in whole or in part, belonging to or under the supervision or control of the respective state agency or belonging to the state and held for the use or benefit of the state agency.

SECTION 1374. Arkansas Code § 22-6-601(a)(2)(D), concerning the sale procedure for lands of state institutions, is amended to read as follows:

(D) The exchange of state lands for other lands which are suitable for state purposes if the ~~Director~~ Secretary of the Department of Finance and Administration has made a recommendation to the Governor that the exchange be made and if the Governor has approved the exchange.

SECTION 1375. Arkansas Code § 22-6-601(b)(1), concerning the sale procedure for lands of state institutions, is amended to read as follows:

(b)(1) State agencies may transfer lands in whole or in part to the Building Authority Division ~~of the Department of Finance and Administration~~ for the use of that agency or other state agencies.

SECTION 1376. Arkansas Code § 22-6-601(d), concerning the sale procedure for lands of state institutions, is amended to read as follows:

(d)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall furnish to the Governor:

(A) The appraisal;

(B) The agency proposal to sell or purchase; and

(C) The division's recommendations.

(2) The Governor, if he or she approves the proposed sale or purchase, shall endorse his or her approval of the proposal and transmit a

copy of the proposal to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1377. Arkansas Code § 22-6-601(h)(2)(A)(i)(a), concerning the sale procedure for lands of state institutions, is amended to read as follows:

(2)(A)(i)(a) Upon approval by the Governor, lands may be sold to the highest responsible bidder for less than the amount of the appraisal if the bid process has been utilized and it has been determined and recommended by the agency director and the ~~Director~~ Secretary of the Department of Finance and Administration that further solicitation of bids is unnecessary.

SECTION 1378. Arkansas Code § 22-6-601(k)(2), concerning the sale procedure for lands of state institutions, is amended to read as follows:

(2) The ~~Director~~ Secretary of the Department of Finance and Administration shall forward a recommendation to the Governor.

SECTION 1379. Arkansas Code § 23-115-103(11), concerning the definition of "lobbying" under the Arkansas Scholarship Lottery Act, is amended to read as follows:

(11) “Lobbying” means communicating directly or soliciting others to communicate with the Director of the Office of the Arkansas Lottery, the ~~Director~~ Secretary of the Department of Finance and Administration, any employee of the office, or a member of the Legislative Council with the purpose of influencing the actions of the office or the Legislative Council;

SECTION 1380. The introductory language of Arkansas Code § 23-115-103(22)(I), concerning the definition of "operating expenses" under the Arkansas Scholarship Lottery Act, is amended to read as follows:

(I) Payments to the ~~Department~~ Division of Higher Education to:

SECTION 1381. Arkansas Code § 23-115-103(22)(I)(i) and (ii), concerning the definition of "operating expenses" under the Arkansas Scholarship Lottery Act, are amended to read as follows:

(i) Reimburse the ~~Department~~ Division of Higher Education for the costs of administering scholarship awards funded with net proceeds; and

(ii) Replenish nonlottery state educational resources expended by the ~~Department~~ Division of Higher Education on scholarship awards otherwise funded with net proceeds;

SECTION 1382. Arkansas Code § 23-115-103(22)(M), concerning the definition of "operating expenses" under the Arkansas Scholarship Lottery Act, is amended to read as follows:

(M) Management fees charged by a financial institution to manage a trust account or fund maintained by the ~~Department~~ Division of Higher Education or the office;

SECTION 1383. Arkansas Code § 23-115-104(c)(2), concerning the requirement of a fiscal impact statement to accompany a proposed bill, is amended to read as follows:

(2) The ~~Department~~ Division of Higher Education or the office, as applicable, shall assist in the preparation of the fiscal impact statement.

SECTION 1384. Arkansas Code § 23-115-205(a)(22)(B), concerning the powers of the Office of the Arkansas Lottery, is amended to read as follows:

(B) The office shall seek the advice of the ~~Department~~ Division of Higher Education when advertising to promote scholarships and grants funded by net proceeds;

SECTION 1385. Arkansas Code § 23-115-206(a)(8)(D)(ix)(a) and (b), concerning internal controls and an annual audit regarding the Office of the Arkansas Lottery, are amended to read as follows:

(a) Demographic reports from the ~~Department~~ Division of Higher Education for each full semester during the fiscal year on accessibility to scholarships, award amounts for each approved institution of higher education; and

(b) The ~~Department~~ Division of Higher Education's report to the Legislative Council required by § 6-85-219;

SECTION 1386. Arkansas Code § 23-115-206(b)(3), concerning internal controls and an annual audit regarding the Office of the Arkansas Lottery, is amended to read as follows:

(3)(A) If the office, the General Assembly, the Legislative Council, or the Legislative Joint Auditing Committee requests additional audits or performance reviews of the fiscal affairs or operations of the office to be conducted by a private certified public accountant or other consultant, the ~~Director~~ Secretary of the Department of Finance and Administration shall select and contract with appropriate certified public accountants or consultants to provide the services.

(B) The ~~Director~~ Secretary of the Department of Finance and Administration shall contract for the services which shall be paid directly to the contractor by the office.

(C) A copy of any report or management correspondence prepared by the certified public accountants or consultants shall be forwarded to Arkansas Legislative Audit, the ~~Director~~ Secretary of the Department of Finance and Administration, and the Legislative Council.

SECTION 1387. Arkansas Code § 23-115-603(a)(3), concerning the fidelity fund, retailer fee, reserve account to cover losses, and a retailer bond, is amended to read as follows:

(3) At the end of each fiscal year, the office shall pay to the trust account managed and maintained by the ~~Department~~ Division of Higher Education any amount in the fidelity fund that exceeds five hundred thousand dollars ($500,000), and the funds shall be considered net proceeds from a lottery.

SECTION 1388. Arkansas Code § 23-115-801(b)(1)(B)(i)(b)(1), concerning lottery proceeds, is amended to read as follows:

(1) Transfers under subdivision (c)(2) of this section the funds requested by the ~~Department~~ Division of Higher Education; and

SECTION 1389. Arkansas Code § 23-115-801(b)(1)(B)(iii), concerning lottery proceeds, is amended to read as follows:

(iii) Annually, the office shall transfer to the ~~Department~~ Division of Higher Education the funds from the previous academic year, if any, that were transferred by the office into the trust account for the Arkansas Workforce Challenge Scholarship Program, § 6-85-301 et seq., under subdivision (b)(1)(B)(i) of this section for distribution of Arkansas Workforce Challenge Scholarships.

SECTION 1390. Arkansas Code § 23-115-801(c) and (d), concerning lottery proceeds, are amended to read as follows:

(c)(1) The Director of the ~~Department~~ Division of Higher Education shall certify to the office the amount of net proceeds from the lottery needed to fund the scholarships awarded to recipients under § 6-85-201 et seq. for each semester of an academic year.

(2)(A) The office shall transfer the funds requested by the Director of the ~~Department~~ Division of Higher Education under subdivision (c)(1) of this section into one (1) or more trust accounts at one (1) or more financial institutions meeting the requirements of subdivision (b)(2) of this section maintained by the ~~Department~~ Division of Higher Education.

(B) The Director of the ~~Department~~ Division of Higher Education shall disburse trust account funds only in the name of the recipient:

(i) To an approved institution of higher education; or

(ii) If a recipient transfers to another approved institution of higher education, to the approved institution of higher education where the recipient transferred.

(3) By August 1 of each year, the Director of the ~~Department~~ Division of Higher Education shall provide to the ~~Director~~ Secretary of the Department of Finance and Administration and to the Legislative Council for the academic year just ended an accounting of all trust accounts maintained by the ~~Department~~ Division of Higher Education, including without limitation:

(A) Total deposits to all trust accounts;

(B) Total disbursements from the trust accounts; and

(C) The balance remaining in the trust accounts.

(d)(1) The General Assembly finds that:

(A) The administration of scholarships with proceeds from

the lottery are expenses of the office; and

(B) Because the ~~Department~~ Division of Higher Education has the expertise and experienced staff needed to efficiently and appropriately administer the scholarships, the office shall use the services of the ~~Department~~ Division of Higher Education to administer scholarships funded with net proceeds from the lottery.

(2)(A) Annually by April 1, the ~~Department~~ Division of Higher Education shall provide to the office and to the Legislative Council the ~~Department~~ Division of Higher Education's budget for the administrative expenditures allowed under this subsection.

(B) Annually by October 31, the ~~Department~~ Division of Higher Education shall provide an invoice to the office for reimbursement of the administrative expenditures allowed under this subsection, including without limitation:

(i) For each employee the:

(a) Type of position, whether full-time, part-time, permanent, or temporary; and

(b) Salary paid;

(ii) A description of other expenditures requested in the invoice; and

(iii) An explanation of the increase, if any, of actual expenditures over the budgeted expenditures.

(C) Only direct expenditures of the ~~department~~ division to administer scholarship funding with net proceeds from the lottery may be invoiced to the office under subdivision (d)(2)(B) of this section.

(3)(A) Annually by November 1, the office shall file a copy of the invoice with the Legislative Council for its review.

(B) The Legislative Council shall review the invoice and forward its comments, if any, to the office.

(C) The office shall reimburse the ~~Department~~ Division of Higher Education for the costs of administering the scholarship awards funded with net proceeds from the lottery after the Legislative Council's review under this subsection.

SECTION 1391. Arkansas Code § 23-115-1101(a)(4), concerning the duties of the Legislative Council, is amended to read as follows:

(4) Review reports filed with the Legislative Council by the ~~Department~~ Division of Higher Education, including without limitation reports filed under §§ 6-85-205 and 6-85-220;

SECTION 1392. Arkansas Code § 23-4-805(b), concerning exemptions and certain officials permitted to accept and use passes regarding railroads and transportation companies, is amended to read as follows:

(b) The Commissioner of Elementary and Secondary Education and the Director of the ~~Department~~ Division of Career and Technical Education and the prosecuting attorneys and judges of the circuit courts of the several judicial districts of this state shall be permitted to accept and use a free pass on any railroad in this state without incurring any penalty prescribed under § 23-4-803 [repealed].

SECTION 1393. Arkansas Code § 23-39-505(b)(2)(A), concerning qualifications for licensure and issuance regarding the Fair Mortgage Lending Act, is amended to read as follows:

(2)(A) Have received a high school diploma or a high school equivalency diploma approved by the ~~Department of Career Education~~ Adult Education Section of the Division of Workforce Services.

SECTION 1394. Arkansas Code § 23-64-607(a)(2), concerning the qualifications of a counselors for licensure or certification and issuance of license, is amended to read as follows:

(2) Have received a high school diploma or a high school equivalency diploma approved by the ~~Department of Career Education~~ Adult Education Section of the Division of Workforce Services;

SECTION 1395. Arkansas Code § 24-1-301(2)(F)(i) and (ii), concerning the forfeiture of public retirement system benefits, are amended to read as follows:

(i) A college, university, or the ~~Department~~ Division of Higher Education provided for under § 24-7-801 et seq.; and

(ii) A vocational-technical school or the ~~Department~~ Division of Career and Technical Education, Adult Education Section of the Division of Workforce Services, and the Office of Skills Development,

provided for under § 24-7-901 et seq.;

SECTION 1396. Arkansas Code § 24-2-302(2), concerning the classification of members in the Arkansas Public Employees' Retirement System, is amended to read as follows:

(2) All eligible employees of the ~~Department~~ Division of Arkansas State Police shall be members of the State Police Retirement System;

SECTION 1397. Arkansas Code § 24-2-302(3)(D), concerning the classification of members in the Arkansas Public Employees' Retirement System, is amended to read as follows:

(D) Any person employed in a position requiring professional training or certification with an area vocational-technical school or employed by the Arkansas Educational Television Commission, except that employees of area vocational-technical schools and the ~~Department~~ Division of Career and Technical Education, Adult Education Section of the Division of Workforce Services, and the Office of Skills Development, who have elected to participate in an alternate retirement plan established by §§ 24-7-901 and 24-7-903 — 24-7-908 shall be active members of the alternate retirement plan; and

SECTION 1398. Arkansas Code § 24-2-302(3)(E)(i), concerning the classification of members in the Arkansas Public Employees' Retirement System, is amended to read as follows:

(E)(i) Any person employed in a position requiring professional training or certification with the Arkansas Rehabilitation Services of the ~~Department of Career Education~~ Division of Workforce Services, the Division of State Services for the Blind of the Department of Human Services, or the Division of Youth Services of the Department of Human Services except those employees who have elected coverage under § 24-4-101 et seq.

SECTION 1399. Arkansas Code § 24-2-401(3)(F)(i) and (ii), concerning the Arkansas Public Employees' Retirement System, are amended to read as follows:

(i) A college, university, or the ~~Department~~

Division of Higher Education provided for under § 24-7-801 et seq.; or

(ii) A vocational-technical school or the ~~Department~~ Division of Career and Technical Education, Adult Education Section of the Division of Workforce Services, and the Office of Skills Development, provided for under § 24-7-901 et seq.; or

SECTION 1400. Arkansas Code § 24-2-401(4)(D)(i) and (ii), concerning the Arkansas Public Employees' Retirement System, are amended to read as follows:

(i) A college, university, or the ~~Department~~ Division of Higher Education whose employees are covered by an alternate retirement plan provided for under § 24-7-801 et seq.; or

(ii) A vocational-technical school or the ~~Department~~ Division of Career and Technical Education, Adult Education Section of the Division of Workforce Services, and the Office of Skills Development, whose employees are covered by an alternate retirement plan provided for under § 24-7-901 et seq.

SECTION 1401. Arkansas Code § 24-2-703(b)(1), concerning tax exemptions regarding the Arkansas Public Employees' Retirement System, is amended to read as follows:

(b)(1) It is the purpose of this section to provide equitable tax treatment to persons receiving benefits from alternate publicly supported retirement or annuity plans of the state's colleges and universities and the ~~Department~~ Division of Higher Education.

SECTION 1402. Arkansas Code § 24-4-101(17)(A)(i)(a), concerning the Arkansas Public Employees' Retirement System, is amended to read as follows:

(17)(A)(i)(a) "Employees" means all officers and employees of any office, agency, board, commission, including the ~~Department~~ Division of Higher Education, or Department of a public employer whose compensations were or are payable from funds appropriated by the public employer and all otherwise eligible employees whose compensations were or are payable in whole or part from federal funds, as well as the official court reporters and stenographers of the circuit and chancery courts of the state and all of the prosecuting attorneys of the judicial districts of Arkansas.

SECTION 1403. Arkansas Code § 24-4-522(c)(2), concerning the applicability of benefit provisions of the Arkansas Public Employees' Retirement System, is amended to read as follows:

(2)(A) Employees of the Department of Human Services and employees of the Arkansas Rehabilitation Services of the ~~Department of Career Education~~ Division of Workforce Services shall be entitled to the benefit amount computed by applying the benefit provisions prescribed by this chapter for all credited service rendered before and after January 1, 1978, except that benefit amounts based upon employment before January 1, 1978, shall not be less than benefit amounts computed in accordance with benefit provisions in effect December 31, 1977.

(B) On and after January 1, 1993, employees of the Arkansas Rehabilitation Services of the ~~Department of Career Education~~ Division of Workforce Services who elected to be covered by the provisions of this subsection and who are still active employees on January 1, 1993, shall be entitled to the benefit amount computed by applying the benefit provisions prescribed by this chapter for all credited service rendered before and after January 1, 1978, except that benefit amounts based upon employment before January 1, 1978, shall be computed in accordance with current benefit provisions in effect for the Arkansas Teacher Retirement System at the time of their retirement.

SECTION 1404. Arkansas Code § 24-4-901(d)(6), concerning credited service and reciprocity of the Arkansas Retirement Plan, is amended to read as follows:

(6) An alternate retirement plan for a college, university, or the ~~Department~~ Division of Higher Education provided for under § 24-8-101 et seq. or for a vocational-technical school or the , Adult Education Section of the Division of Workforce Services, and the Office of Skills Development, provided for under § 24-9-201 et seq.; and

SECTION 1405. Arkansas Code § 24-7-202 (17)(B)(ii), concerning the definition of "employment with a school" under the laws governing the Arkansas Teacher Retirement System, is amended to read as follows:

(ii) Area vocational-technical schools, except those

employees of area vocational schools and the , Adult Education Section of the Division of Workforce Services, and the Office of Skills Development, who have elected to participate in an alternate retirement plan established by §§ 24-7-901 and 24-7-903 — 24-7-908;

SECTION 1406. Arkansas Code § 24-7-202 (17)(C), concerning the definition of "employment with a school" under the laws governing the Arkansas Teacher Retirement System, is amended to read as follows:

(C) Employment by the Arkansas Rehabilitation Services of the ~~Department of Career Education~~ Division of Workforce Services except those employees who have elected to participate in the Arkansas Public Employees' Retirement System;

SECTION 1407. Arkansas Code § 24-7-801(1), concerning the definition of "alternate retirement plan" under the laws providing for an alternate retirement plan for state colleges, is amended to read as follows:

(1) "Alternate retirement plan" means a retirement plan based on the purchase of contracts providing retirement and death benefits for the employees of Arkansas State University, the ~~department~~ Division of Higher Education employees, and employees of Arkansas' state-supported universities, colleges, or junior colleges that are not a part of the University of Arkansas System;

SECTION 1408. Arkansas Code § 24-7-801(4), concerning the definition of "department employees" under the laws providing for an alternate retirement plan for state colleges, is amended to read as follows:

(4) "~~Department~~ Division employees" means the Director of the ~~Department~~ Division of Higher Education and the professional education employees of the ~~Department~~ Division of Higher Education;

SECTION 1409. Arkansas Code § 24-7-804 is amended to read as follows:

24-7-804. Establishment and administration of plan.

(a) The board of any college and the Arkansas Higher Education Coordinating Board may establish and maintain an alternate retirement plan which shall authorize the purchase of contracts providing retirement and death benefits for staff members and employees of the ~~Department~~ Division of

Higher Education.

(b) Under the plan, staff members and ~~department~~ division employees shall contribute, to the extent authorized or required, toward the purchase of the contracts, which shall be issued to and become the property of the participants.

(c) The board of any college which elects to establish and maintain an alternate retirement plan and the Director of the ~~Department~~ Division of Higher Education, if it elects to establish and maintain a plan, shall have authority to administer the plan and to perform or authorize the performance of all such functions as may be reasonably appropriate in its administration.

SECTION 1410. Arkansas Code § 24-7-805(b) and (c), concerning the methods of providing benefits and an agent for service of process for the alternate retirement plan for state colleges, are amended to read as follows:

(b) The benefits to be provided for or on behalf of staff members and employees of the ~~Department~~ Division of Higher Education under an alternate retirement plan may be provided through insurance policies and annuity contracts, both fixed and variable in nature, or a combination thereof, as specified in the plan, which insurance policies and annuity contracts may be obtained from any insurance company authorized to do business in this state or from any nonprofit company organized and operated exclusively for the purpose of aiding and strengthening educational or scientific institutions by issuing insurance or annuity contracts only to or for the benefit of such institutions or individuals engaged in their services.

(c) In any action brought by a staff member or ~~department~~ division employee on a policy or contract, any official of the college or the Director of the ~~Department~~ Division of Higher Education shall be deemed to be the agent of the nonprofit company only for the purpose of service of process on the contract or policy, and for no other purpose.

SECTION 1411. Arkansas Code § 24-7-806(a), concerning the procedure for designation of companies to provide benefit contracts for the alternate plan for state colleges, is amended to read as follows:

(a) The board of each college or university, or the Arkansas Higher Education Coordinating Board of the ~~Department~~ Division of Higher Education, shall designate the companies from which contracts are to be purchased under

the alternate retirement plan and shall approve the form and contents of the contracts.

SECTION 1412. Arkansas Code § 24-7-807(5)(A) and (B), concerning participation in an alternate retirement plan for state colleges, is amended to read as follows:

(5)(A)(i) Any ~~Department~~ Division of Higher Education employee who transferred from another state department or division covered by a state-supported retirement system may elect to participate in an alternate retirement plan.

(ii) The employee shall file written notice of his or her election with the Director of the ~~Department~~ Division of Higher Education.

(B)(i) Any ~~department~~ division employee with five (5) or more years of actual service who elects to participate only in the alternate retirement plan and who has left his or her contributions in the retirement system shall be eligible to receive an annuity on or after attaining the normal retirement age and on his or her retirement from covered employment.

(ii) The amount of the annuity shall be determined by the benefit formula of the retirement system at the time of his or her retirement.

SECTION 1413. Arkansas Code § 24-7-808 is amended to read as follows:

24-7-808. Contributions.

(a)(1) Any college or university which elects to establish and maintain an alternate retirement plan, and the Arkansas Higher Education Coordinating Board if it so elects, shall contribute to that plan on behalf of each staff member who elects to participate in the alternate retirement plan, or employee of the ~~Department~~ Division of Higher Education, six percent (6%) of his or her total regular compensation during the continuance of his or her employment.

(2) Each staff member who elects to participate in the alternate retirement plan, or ~~department~~ division employee, at the discretion of the college or university, shall also contribute thereto six percent (6%) of his or her total regular compensation.

(b)(1) At its discretion, the ~~department~~ division, college, or

university may contribute a minimum of an additional four percent (4%) of the staff member's total regular compensation.

(2) The ~~department~~ division, college, or university may contribute an amount so that the percentage rate in subdivision (a)(1) of this section plus the additional rate in subdivision (b)(1) of this section equals the total employer contribution rate under the Arkansas Teacher Retirement System if the college or university determines that sufficient funds are available to pay that contribution rate.

(3) Each staff member may be required to match that additional contribution by contributing a percentage of his or her total regular compensation as determined by the ~~department~~ division, college, or university.

(c) In addition to the contributions defined in subsections (a) and (b) of this section, the ~~department~~ division or any college or university which elects to establish and maintain an alternate retirement plan may permit a newly eligible employee who elects to establish and maintain an alternate retirement plan and may permit a newly eligible employee who elects to participate in an alternate retirement plan to make incremental increases in plan contributions to reach the required contribution level by completion of the fourth year of participation in the alternate retirement plan.

(d) Payment of contributions authorized by this section shall be made by the disbursing officer of the college or university and by the state official charged with the duty of paying salaries to ~~department~~ division employees to the designated companies in accordance with the provisions of this section.

SECTION 1414. Arkansas Code § 24-7-907(4)(B), concerning participation in an alternate retirement plan for vocational-technical schools, is amended to read as follows:

(B) The notice of election shall be in writing on a form established by the division and filed with both the Director of the ~~Department of Career Education~~ Division of Higher Education and the retirement system.

SECTION 1415. Arkansas Code § 24-7-1601(a)(2), concerning the Arkansas Teacher Retirement System, is amended to read as follows:

(2) Confusion about the intent of the General Assembly concerning the coverage of employees of state-supported universities, colleges, junior colleges, and vocational-technical schools, the Arkansas Higher Education Coordinating Board, the ~~Arkansas Department~~ Division of Career and Technical Education, Adult Education Section, Office of Skills Development, and Arkansas Rehabilitation Services, and any other entity offering both the Arkansas Teacher Retirement System retirement plan and an alternate retirement plan create uncertainty in the administration of law, and legislative clarification of the law is needed.

SECTION 1416. Arkansas Code § 25-1-120(c)(2)(C), concerning comprehensive cross-sector collaboration, is amended to read as follows:

(C) The ~~Arkansas Department~~ Division of Environmental Quality;

SECTION 1417. Arkansas Code § 25-1-120(c)(2)(G), concerning comprehensive cross-sector collaboration, is amended to read as follows:

(G) ~~Department~~ Division of Higher Education;

SECTION 1418. Arkansas Code § 25-4-125(b)(1)(A), concerning the State Broadband Manager, is amended to read as follows:

(A) State agencies, boards, commissions, and constitutional officers, including without limitation the Governor, Department of Education, ~~Department of Higher Education~~, and Arkansas Department of Transportation;

SECTION 1419. Arkansas Code § 25-4-127(a), concerning the creation and duties of the Data and Transparency Panel, is amended to read as follows:

(a) The Data and Transparency Panel is created within the ~~Department~~ Division of Information Systems.

SECTION 1420. Arkansas Code § 25-4-127(b)(3)(B)-(F), concerning the creation and duties of the Data and Transparency Panel, are amended to read as follows:

(B) The ~~Department~~ Division of Arkansas State Police;

(C) The ~~Department~~ Division of Career and Technical

Education;

(D) The ~~Department~~ Division of Community Correction;

(E) The ~~Department~~ Division of Correction;

(F) The ~~Department of Education~~ Division of Elementary and Secondary Education;

SECTION 1421. Arkansas Code § 25-4-127(b)(3)(K) and (L), concerning the creation and duties of the Data and Transparency Panel, are amended to read as follows:

(K) The ~~Department~~ Division of Information Systems; and

(L) The ~~Department~~ Division of Labor;

SECTION 1422. Arkansas Code § 25-4-127(b)(4)(A) and (B), concerning the creation and duties of the Data and Transparency Panel, are amended to read as follows:

(4)(A) The Chief Data Officer of the ~~Department~~ Division of Information Systems.

(B) The Chief Data Officer of the ~~Department~~ Division of Information Systems shall be the Chair of the Data and Transparency Panel.

SECTION 1423. Arkansas Code § 25-4-127(b)(5), concerning the creation and duties of the Data and Transparency Panel, is amended to read as follows:

(5) The Chief Privacy Officer of the ~~Department~~ Division of Information Systems.

SECTION 1424. Arkansas Code § 25-4-127(c)(5), concerning the creation and duties of the Data and Transparency Panel, is amended to read as follows:

(5) Evaluate and identify data that may be provided to the public in accordance with data standards and specifications developed by the ~~Department~~ Division of Information Systems; and

SECTION 1425. Arkansas Code § 25-6-101 is amended to read as follows:

25-6-101. Purpose.

It is intended that all authority and responsibility of the State Board of Education be administered through the ~~Department of Education~~ Division of Elementary and Secondary Education under the direction and supervision of the

Commissioner of Elementary and Secondary Education.

SECTION 1426. Arkansas Code § 25-6-102(a), concerning the organization and Commissioner of the Department of Education, is amended to read as follows:

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education shall consist of:

(1) The State Board of Education;

(2) The ~~Department of Education~~ Division of Elementary and Secondary Education under the direction and supervision of the Commissioner of Elementary and Secondary Education; and

(3) Any divisions or subdivisions as presently exist within the ~~Department of Education~~ Division of Elementary and Secondary Education or as may be created by the State Board of Education or as created by law and placed under the ~~Department of Education~~ Division of Elementary and Secondary Education.

SECTION 1427. Arkansas Code § 25-6-107(a)(1), concerning the local education agency numbers, is amended to read as follows:

(a)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education is the sole and official issuer of local education agency numbers to educational entities in the state.

SECTION 1428. Arkansas Code § 25-7-101 is amended to read as follows:

25-7-101. Creation — Director — Organization — Personnel.

(a) There is created a ~~Department~~ Division of Higher Education.

(b)(1) The executive head of the ~~department~~ division shall be the Director of the ~~Department~~ Division of Higher Education.

(2) The director shall be appointed, in consultation with the Arkansas Higher Education Coordinating Board, by the Governor and shall serve at the pleasure of the Governor.

(c) The ~~Department~~ division shall consist of the Arkansas Higher Education Coordinating Board and any other divisions which may be created by law and placed under the ~~department~~ Division of Higher Education.

(d) The director, with the advice and consent of the Governor, and the Secretary of the Department of Education, shall appoint the heads of the

respective divisions. All of the personnel of the ~~department~~ Division of Higher Education shall be employed by and serve at the pleasure of the director. Provided, nothing in this section shall be so construed as to reduce any right which an employee shall have under any civil service or merit system.

(e) Each division of the ~~department~~ Division of Higher Education shall be under the direction, control, and supervision of the director. The director may delegate his or her functions, powers, and duties to various divisions of the Department as he or she shall deem desirable or necessary for the effective and efficient operation of the ~~department~~ Division of Higher Education.

(f) The several institutions of higher education in this state shall be requested to cooperate with the ~~department~~ Division of Higher Education in an effort to coordinate their programs.

SECTION 1429. Arkansas Code § 25-24-103 is amended to read as follows:

25-24-103. Staff of commission.

(a)(1) The Governor shall appoint ~~an executive director~~ the Director of the Martin Luther King Jr. Commission.

(2) The ~~executive~~ director shall serve at the pleasure of the Governor.

(b) The ~~commission~~ Department of Education may employ staff and consultants on behalf of the commission as authorized by law and fix their compensation, duties, authority, and responsibilities.

SECTION 1430. Arkansas Code § 25-30-101(b)(2)(A) and (B), concerning the creation and membership of the Career Education and Workforce Development Board, are amended to read as follows:

(A) The Commissioner of Elementary and Secondary Education;

(B) The Director of the ~~Department~~ Division of Higher Education;

SECTION 1431. Arkansas Code § 25-30-101(b)(2)(E), concerning the creation and membership of the Career Education and Workforce Development Board, is amended to read as follows:

(E) The Director of the ~~Department~~ Division of Workforce Services;

SECTION 1432. Arkansas Code § 25-30-102(a)(2), concerning the powers and duties of the Career Education and Workforce Development Board, is amended to read as follows:

(2) All policy issues affecting the public schools will be developed by the ~~Career Education and Workforce Development Board after consultation with the~~ State Board of Education and implemented in coordination with the ~~Department of Education~~ Division of Elementary and Secondary Education or the education service cooperatives, or both.

SECTION 1433. Arkansas Code § 25-30-104 is amended to read as follows:

25-30-104. Coordination with State Board of Education and ~~Department of Education~~ Division of Elementary and Secondary Education.

The ~~Career Education and Workforce Development Board and the~~ State Board of Education shall coordinate their activities to ensure that academic, workplace, and technical skills create opportunities for a strong comprehensive education regardless of the student's ultimate career choice.

SECTION 1434. Arkansas Code § 25-30-106 is amended to read as follows:

25-30-106. ~~Department~~ Division of Career and Technical Education.

~~(a)~~ There is created the ~~Department~~ Division of Career and Technical Education.

~~(b)(1) The Arkansas Rehabilitation Services as an agency responsible to the Career Education and Workforce Development Board and as a part of the Department of Career Education shall function as an agency in accordance with § 6-52-101 et seq. and § 25-30-201 et seq.~~

~~(2) This subchapter shall assure that the Arkansas Rehabilitation Services functions organizationally at a level at least equal to that of any division or entity of the Department of Career Education.~~

~~(c) The Governor shall appoint a director of the Department of Career Education who shall:~~

~~(1) Be a member of the Governor's cabinet;~~

~~(2) Be confirmed by the Governor; and~~

~~(3)(2) Serve at the pleasure of the Governor.~~

~~(d) The director shall devote all of his or her time to the duties of his or her office, shall act as agent of the board, and shall perform such other duties as are designated by the board or by statute.~~

~~(e) The director shall serve as the ex officio secretary of the board without vote.~~

~~(f) The person selected as director shall:~~

~~(1) Be of good moral character;~~

~~(2) Be recognized as a leader in the field of vocational or workforce education;~~

~~(3) Have a bachelor's degree from an accredited institution; and~~

~~(4) Be qualified technically and by experience to direct the work of the Department of Career Education.~~

~~(g) No person who is related within the fourth degree of consanguinity or affinity to any member of the board shall be eligible to serve as director of the Department of Career Education.~~

SECTION 1435. Arkansas Code § 25-30-107 is amended to read as follows:

25-30-107. Powers and duties of the ~~Department~~ Division of Career and Technical Education.

(a)(1) All personnel of the ~~Department~~ Division of Career and Technical Education shall be employed by and serve at the pleasure of the ~~Director of the Department of Career Education~~ Secretary of the Department of Education.

(2) However, this section does not reduce any rights or benefits of employees, including retirement benefits, that they had when employed by the ~~Department~~ Division of Career and Technical Education.

(b)(1) The authority and responsibility of the ~~Career Education and Workforce Development Board~~ State Board of Education and the ~~department~~ division shall include general control and supervision of all programs of vocational, technical, and occupational education in secondary institutions.

(2) This authority shall apply to programs in:

(A) ~~State technical institutes;~~

~~(B) State postsecondary vocational schools;~~

~~(C)~~(B) State area vocational high school centers;

~~(D)~~(C) State public schools; and

~~(E)~~(D) Any other public educational facility or

institution now in existence or hereafter established in the state with the exception of technical colleges, community colleges, universities, and colleges.

SECTION 1436. Arkansas Code § 25-30-108 is repealed.

~~25-30-108. Authority of Director of the Department of Career Education to enter into contracts.~~

~~The Director of the Department of Career Education may enter into contracts with private organizations licensed by the State Board of Education or the Department of Career Education in order to provide vocational-technical training to needy citizens of the State of Arkansas.~~

SECTION 1437. Arkansas Code § 25-18-303(a), concerning records held by the Department of Finance and Administration, the confidentiality of those records, and privilege and exceptions, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration is the official custodian of all records and files required by any state tax law to be filed with the ~~Director~~ Secretary of the Department of Finance and Administration and is required to take all steps necessary to maintain their confidentiality.

(2)(A)(i) Except as otherwise provided by this chapter, the records and files of the ~~Director~~ Secretary of the Department of Finance and Administration concerning the administration of any state tax law are confidential and privileged.

(ii) These records and files and any information obtained from these records or files or from any examination or inspection of the premises or property of any taxpayer shall not be divulged or disclosed by the ~~Director~~ Secretary of the Department of Finance and Administration or any other person who may have obtained these records and files.

(B) It is the specific intent of this chapter that all tax returns, audit reports, and information pertaining to any tax returns, whether filed by individuals, corporations, partnerships, or fiduciaries, shall not be subject to the provisions of the Freedom of Information Act of 1967, § 25-19-101 et seq.

SECTION 1438. Arkansas Code § 26-18-303(b)(1)-(10), concerning records held by the Department of Finance and Administration, the confidentiality of those records, and privilege and exceptions, are amended to read as follows:

(1) Publication of statistics by the ~~Director~~ Secretary of the Department of Finance and Administration classified to prevent the identification of a particular taxpayer;

(2) Use of the information in records filed under any state tax law by the ~~Director~~ Secretary of the Department of Finance and Administration when conducting any audit or investigation of any taxpayer in regard to any state tax;

(3)(A) Disclosure of information to the Attorney General of this state, any prosecuting attorney, or any other individual who is empowered by law to prosecute criminal and civil violations of any state tax law when the ~~Director~~ Secretary of the Department of Finance and Administration initiates the investigation.

(B) If the prosecution is initiated by the Attorney General or a prosecuting attorney, the ~~Director~~ Secretary of the Department of Finance and Administration shall not disclose any information unless required by subpoena issued by a circuit court.

(C) Information may be introduced as evidence by the Attorney General, a prosecuting attorney, or other individual so empowered when the individual is prosecuting any civil or criminal violation of state tax law;

(4) Disclosure compelled by any Arkansas circuit court, the Supreme Court, the Court of Appeals, or by any federal court of information involved in any case or controversy before that court;

(5) Disclosure by the taxpayer or the taxpayer's authorized agent or by the ~~Director~~ Secretary of the Department of Finance and Administration, at the taxpayer's request, of any information which the ~~Director~~ Secretary of the Department of Finance and Administration has concerning that taxpayer;

(6) Disclosure by the ~~Director~~ Secretary of the Department of Finance and Administration, at the ~~Director~~ Secretary of the Department of Finance and Administration's discretion, of information from the records of any state tax law to comparable officials of any other state or the United States who are charged with the administration of a similar tax;

(7) Disclosure of motor vehicle titling and registration information, all licenses and permits issued to owners and operators of coin-operated amusement machines pursuant to §§ 26-57-402, 26-57-408 — 26-57-421, and 26-77-303, and tax records, files, and other information relating to sales of aviation fuel at airports and other aviation fuel outlets;

(8) Disclosure of information other than income tax information at an administrative hearing held regarding the issuance, cancellation, revocation, or suspension of licenses or permits issued by the ~~Director~~ Secretary of the Department of Finance and Administration or any other state agency or department;

(9)(A) Disclosure to the Student Loan Authority Division of the Arkansas Development Finance Authority, the ~~Department~~ Division of Higher Education, the Student Loan Guarantee Foundation of Arkansas, or any Arkansas public institution of higher education of the last known address or whereabouts or the last known employer of any person from whom these agencies are charged with collecting a student loan or other student indebtedness.

(B) In providing such information, the ~~Director~~ Secretary of the Department of Finance and Administration shall not allow the Student Loan Authority Division of the Arkansas Development Finance Authority, the Student Loan Guarantee Foundation of Arkansas, the ~~Department~~ Division of Higher Education, or any Arkansas public institution of higher education to examine the tax return;

(10)(A) In order to ensure proper payment to vendors by all agencies of state government or by county governments or city governments, information about the receipt or nonreceipt of sales tax permits by vendors must be made available by the ~~Director~~ Secretary of the Department of Finance and Administration upon request by these agencies of state government or by county governments or city governments.

(B) Therefore, notwithstanding any provision of this chapter or any other law to the contrary, in instances when state agencies, boards, commissions, and other branches of state government or county governments or city governments identify to the ~~Director~~ Secretary of the Department of Finance and Administration the identity of vendors receiving payments and ask the ~~Director~~ Secretary of the Department of Finance and Administration whether these vendors have been issued sales tax permits, the ~~Director~~ Secretary of the Department of Finance and Administration shall

answer these inquiries;

SECTION 1439. Arkansas Code § 26-18-303(b)(16)(B) and (C), concerning records held by the Department of Finance and Administration, the confidentiality of those records, and privilege and exceptions, are amended to read as follows:

(B) This information may be released only following completion of an audit or investigation by the ~~Director~~ Secretary of the Department of Finance and Administration and following a determination by the ~~Director~~ Secretary of the Department of Finance and Administration that there is a strong possibility the taxpayer has failed to properly assess the taxpayer's personal property in the county.

(C) In providing this information, the ~~Director~~ Secretary of the Department of Finance and Administration shall not allow the county assessors to examine any tax returns or audit records;

SECTION 1440. Arkansas Code § 26-18-303(b)(21), concerning records held by the Department of Finance and Administration, the confidentiality of those records, and privilege and exceptions, is amended to read as follows:

(21)(A) To perform audit and compliance duties, disclosure to the ~~Department~~ Division of Workforce Services of withholding tax information reported by companies doing business in Arkansas, including without limitation taxpayer names, taxpayer addresses, tax identification numbers, and tax withholding information.

(B) Information received by the ~~Department~~ Division of Workforce Services under this section shall remain confidential and is not subject to disclosure except in accordance with this section;

SECTION 1441. Arkansas Code § 26-18-303(c), concerning records held by the Department of Finance and Administration, the confidentiality of those records, and privilege and exceptions, is amended to read as follows:

(c) The provisions of this section shall be strictly interpreted and shall not permit any other disclosure of tax information concerning a taxpayer, whether the taxpayer is an individual, a corporation, a partnership, or a fiduciary, that is contained in the records and files of the ~~Director~~ Secretary of the Department of Finance and Administration

relating to income tax or any other state tax administered under this chapter.

SECTION 1442. Arkansas Code § 26-18-303(e) and (f), concerning records held by the Department of Finance and Administration, the confidentiality of those records, and privilege and exceptions, are amended to read as follows:

(e) Any person who knowingly obtains or attempts to obtain any of the confidential and privileged records and files of the ~~Director~~ Secretary of the Department of Finance and Administration who is not so permitted by law is guilty of a Class A misdemeanor.

(f) The ~~Director~~ Secretary of the Department of Finance and Administration shall report all violations of this section to the appropriate prosecuting attorney in this state.

SECTION 1443. Arkansas Code § 26-18-303(g)(1), concerning records held by the Department of Finance and Administration, the confidentiality of those records, and privilege and exceptions, is amended to read as follows:

(g)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate such regulations as are necessary to establish a reasonable procedure for making requests for and release of information under subdivision (b)(11) of this section, for allowing a taxpayer reasonable notice in advance of the release of the requested information, for a period of time up to seven (7) days from the date a request for information is made to provide notice and make necessary determinations, and to provide the methods by which the ~~Director~~ Secretary of the Department of Finance and Administration shall determine if the information requested is subject to disclosure under Arkansas law.

SECTION 1444. Arkansas Code § 26-18-303(h)(1), concerning records held by the Department of Finance and Administration, the confidentiality of those records, andprivilege and exceptions, is amended to read as follows:

(h)(1) Upon the request of a county government or a city government, the ~~Director~~ Secretary of the Department of Finance and Administration shall provide a list of vendors within the requesting county or city who hold permits issued pursuant to the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

SECTION 1445. The introductory language of Arkansas Code § 26-18-303(i)(1), concerning records held by the Department of Finance and Administration, the confidentiality of those records, andprivilege and exceptions, is amended to read as follows:

(i)(1) The ~~Director~~ Secretary of the Department of Finance and Administration may disclose information from a return filed by a person, partnership, corporation, trust, or estate to any of the parties who signed the return:

SECTION 1446. Arkansas Code § 26-18-303(i)(2) and (3), concerning records held by the Department of Finance and Administration, the confidentiality of those records, and privilege and exceptions, are amended to read as follows:

(2) The ~~Director~~ Secretary of the Department of Finance and Administration may also disclose all information concerning the collection activity related to a tax return to any party who signed the return.

(3) The ~~Director~~ Secretary of the Department of Finance and Administration shall promulgate such regulations as are necessary to establish a reasonable procedure for making requests for and for the release of information under this section.

SECTION 1447. Arkansas Code § 26-18-303(j)(1)(C), concerning records held by the Department of Finance and Administration, the confidentiality of those records, and privilege and exceptions, is amended to read as follows:

(C) The sharing of documents and other information between the ~~Director~~ Secretary of the Department of Finance and Administration, the Attorney General, and the Director of Arkansas Tobacco Control will put the state in a better position to prevent tobacco diversion and prevent cigarettes from being sold to youth and an already addicted adult population.

SECTION 1448. Arkansas Code § 26-18-303(j)(2), concerning records held by the Department of Finance and Administration, the confidentiality of those records, and privilege and exceptions, is amended to read as follows:

(2) The ~~Director~~ Secretary of the Department of Finance and Administration may disclose documents and other information submitted by

stamp deputies appointed under § 26-57-236 or those persons licensed or permitted under the terms of the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et seq., to the Attorney General or the Director of Arkansas Tobacco Control upon the request of the Attorney General or the Director of Arkansas Tobacco Control.

SECTION 1449. Arkansas Code § 26-18-303(j)(4)(A), concerning records held by the Department of Finance and Administration, the confidentiality of those records, and privilege and exceptions, is amended to read as follows:

(4)(A) The Attorney General and the Director of Arkansas Tobacco Control may use the documents and other information provided under this subsection by the ~~Director~~ Secretary of the Department of Finance and Administration in proceedings before any court.

SECTION 1450. Arkansas Code § 26-18-303(j)(4)(B)(i), concerning records held by the Department of Finance and Administration, the confidentiality of those records, and privilege and exceptions, is amended to read as follows:

(B)(i) However, the documents and other information shall not be presented in court except with the approval of the court in which the action is pending and after adequate notice to the person who initially furnished the documents or other information to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1451. Arkansas Code § 26-36-303(l)(A)(vi), concerning a setoff against state tax refunds, is amended to read as follows:

(vi) The ~~Department~~ Division of Higher Education;

SECTION 1452. Arkansas Code § 26-36-303(l)(A)(xi), concerning a setoff against state tax refunds, is amended to read as follows:

(xi) The Office of Personnel Management ~~of the Department of Finance and Administration~~;

SECTION 1453. Arkansas Code § 26-36-303(4), concerning a setoff against state tax refunds, is repealed.

~~(4) "Division" means the Revenue Division of the Department of~~

~~Finance and Administration;~~

SECTION 1454. Arkansas Code § 26-36-303(5), concerning a setoff against state tax refunds, is amended to read as follows:

(5) "Refund" means the Arkansas income tax refund that the ~~division~~ Revenue Division of the Department of Finance and Administration determines to be due any individual taxpayer less any amounts determined by the ~~division~~ Revenue Division of the Department of Finance and Administration to be due to the ~~division~~ Revenue Division of the Department of Finance and Administration for payment of any state tax as defined in the Arkansas Tax Procedure Act, § 26-18-101 et seq.; and

SECTION 1455. Arkansas Code § 26-51-509(c)(1)(B), concerning youth apprenticeship programs, is amended to read as follows:

(B) If the apprentice is employed as described in subdivision (a)(2) of this section, the ~~Department of Career Education~~ Office of Skills Development.

SECTION 1456. Arkansas Code § 26-51-509(g)(2), concerning youth apprenticeship programs, is amended to read as follows:

(2) The Department of Finance and Administration shall consult with the ~~office~~ United States Office of Apprenticeship and the ~~Department of Career Education~~ Office of Skills Development during the promulgation of the rules.

SECTION 1457. Arkansas Code § 26-51-813(b) and (c), concerning reports, returns, confidentiality, and exceptions regarding tax returns, are amended to read as follows:

(b) The ~~Director~~ Secretary of the Department of Finance and Administration may furnish a copy of any taxpayer's return to any official of the United States or of any state having duties to perform in respect to the assessment or collection of any tax imposed upon or measured by income if the taxpayer is required by the laws of the United States or of the state to make a return in the United States or that state and if the laws of the United States or of the state provide substantially for the same secrecy in respect to the information revealed by the taxpayer's return as is provided by

Arkansas laws.

(c) The ~~director~~ secretary and all other public officials and employees shall keep and maintain the same secrecy in respect to any information furnished by any department, commission, or official of the United States or of any other state in respect to the income of any person as is required by the Income Tax Act of 1929 in respect to information concerning the affairs of the taxpayer under the Income Tax Act of 1929.

SECTION 1458. Arkansas Code § 26-51-813(g), concerning reports, returns, confidentiality, and exceptions regarding tax returns, is amended to read as follows:

(g)(1) Nothing in this section shall be construed to prohibit the Department of Finance and Administration from disclosing from any return or other record maintained by the director to the ~~Department~~ Division of Higher Education or any Arkansas public institution of higher education the last known address or whereabouts or the last known employer of any person from whom these institutions are charged with collecting student indebtedness.

(2) In providing this information, the Department of Finance and Administration shall not allow the ~~Department~~ Division of Higher Education or the Arkansas public institutions of higher education to examine the tax return.

SECTION 1459. Arkansas Code § 26-51-1101(1), concerning the definition of "accredited institution of higher education" under the laws governing donations or sales of equipment to educational institutions, is amended to read as follows:

(1) “Accredited institution of higher education” means a four-year public college or university that offers bachelor’s degrees and is recognized by the ~~Department~~ Division of Higher Education for credit;

SECTION 1460. Arkansas Code § 26-51-1101(5), concerning the definition of "qualified education program" under the laws governing donations or sales of equipment to educational institutions, is amended to read as follows:

(5) “Qualified education program” means a program conducted by a qualified educational institution under rules prescribed by the ~~Department~~ Division of Higher Education for programs in colleges, universities, or

junior colleges, by the ~~Department of Workforce Education~~ Division of Career and Technical Education for programs in vocational technical training schools and by the ~~Department of Education~~ Division of Elementary and Secondary Education for programs in elementary or secondary schools, all of which programs are for the purpose of promoting the use of new machinery and equipment for classroom, laboratory, and other educational instruction;

SECTION 1461. Arkansas Code § 26-51-1101(8), concerning the definition of "qualified research program" under the laws governing donations or sales of equipment to educational institutions, is amended to read as follows:

(8) "Qualified research program" means a program of applied or basic research undertaken by a qualified educational institution pursuant to rules jointly prescribed by the Division of Science and Technology of the Arkansas Economic Development Commission and the ~~Department~~ Division of Higher Education under § 15-3-110;

SECTION 1462. Arkansas Code § 26-51-1104(b) and (c), concerning the requirement of documentation to claim a tax credit for the donation or sale of equipment to educational institutions, are amended to read as follows:

(b) To claim the credit granted by § 26-51-1102, the taxpayer must show that the Division of Science and Technology of the Arkansas Economic Development Commission and the ~~Department~~ Division of Higher Education have approved the qualified research expenditure as a part of a qualified research program.

(c) Copies of each of the above documents shall be filed by the taxpayer with his or her return as an attachment to the form prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 1463. Arkansas Code § 26-51-1105 is amended to read as follows:

26-51-1105. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration, the Director of the ~~Department~~ Division of Higher Education, the Director of the ~~Department~~ Division of Career and Technical Education, the ~~Director of the Department of Workforce Education~~ Commissioner of Elementary and Secondary Education, and the Executive Director of the Arkansas Economic

Development Commission shall promulgate such reasonable rules as they shall deem necessary and appropriate to carry out the purposes of this subchapter.

SECTION 1464. The introductory language of Arkansas Code § 26-52-317(a)(1), concerning food and food ingredients, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall determine the following conditions:

SECTION 1465. The introductory language of Arkansas Code § 26-53-145(a)(1), concerning food and food ingredients, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall determine the following conditions:

SECTION 1466. Arkansas Code § 26-53-145(a)(1)(C)(ii), concerning food and food ingredients, is amended to read as follows:

(ii) The ~~director~~ secretary shall make the determination under subdivision (a)(1)(C)(i) of this section on a monthly basis following the determination that the conditions under subdivision (a)(1)(A) of this section have been met.

SECTION 1467. The introductory language of Arkansas Code § 26-53-145(a)(2)(A), concerning food and food ingredients, is amended to read as follows:

(2)(A) Beginning July 1, 2013, the ~~director~~ secretary shall make a monthly determination as to whether the aggregate amount of deductions from net general revenues attributable to the following during the most recently ended six-month consecutive period, as compared with the same six-month period in the prior year, has declined by thirty-five million dollars ($35,000,000) or more:

SECTION 1468. Arkansas Code § 26-53-145(a)(2)(B)(i), concerning food and food ingredients, is amended to read as follows:

(B)(i) In making the determination in this subdivision (a)(2), the ~~director~~ secretary shall consider all economic factors existing

at the time of the determination that could potentially affect the decline in the aggregate amount of deductions, including without limitation pending litigation.

(ii) If the consideration of additional economic factors under subdivision (a)(2)(B)(i) of this section results in a determination that the decline in the aggregate amount of deductions is not likely to remain at that reduced level, the ~~director~~ secretary shall conclude that the conditions in this subdivision (a)(2) have not been met.

SECTION 1469. Arkansas Code § 26-53-145(a)(3), concerning food and food ingredients, is amended to read as follows:

(3) When the ~~director~~ secretary finds that all of the conditions in either subdivision (a)(1) or subdivision (a)(2) of this section have been met, then the compensating use taxes levied under subsection (c) of this section shall be levied at the rate of zero percent (0%) on the sale of food and food ingredients beginning on the first day of the calendar quarter that is at least thirty (30) days following the determination of the ~~director~~ secretary.

SECTION 1470. Arkansas Code § 26-53-145(c)(1)(B) and (C), concerning food and food ingredients, are amended to read as follows:

(B) Eight and five-tenths percent (8.5%) of the taxes, interest, penalties, and costs received by the ~~director~~ secretary under this subdivision (c)(1) shall be deposited into the Property Tax Relief Trust Fund; and

(C) Fourteen and nine-tenths percent (14.9%) of the taxes, interest, penalties, and costs received by the ~~director~~ secretary under this subdivision (c)(1) shall be deposited into the Educational Adequacy Fund.

SECTION 1471. Arkansas Code § 26-63-302(b)(3)(A), concerning rental vehicle tax, is amended to read as follows:

(3)(A) The rental vehicle tax shall be remitted to the ~~Director~~ Secretary of the Department of Finance and Administration and, except for the amount equal to any municipal or county taxes, shall be deposited into the State Treasury as general revenues.

SECTION 1472. Arkansas Code § 26-63-302(c)(2)(B), concerning rental vehicle tax, is amended to read as follows:

(B) The remaining twenty-five percent (25%) of the revenues shall be deposited into the ~~Department~~ Division of Elementary and Secondary Education Public School Fund Account to be used exclusively for teacher salaries.

SECTION 1473. Arkansas Code § 26-80-101(b)(4)(A)(ii)(b), concerning a uniform rate of tax, is amended to read as follows:

(b) ~~Department~~ Division of Elementary and Secondary Education; and

SECTION 1474. Arkansas Code § 26-80-101(b)(4)(A)(vi), concerning a uniform rate of tax, is amended to read as follows:

(vi) The ~~Department~~ Division of Elementary and Secondary Education shall notify the Assessment Coordination ~~Department~~ Division if a county treasurer violates subdivision (b)(4)(A)(ii) of this section and withholding of reappraisal funding under this subdivision (b)(4)(A) is authorized.

SECTION 1475. Arkansas Code § 26-80-102(a)(3)(B), concerning approval of taxes at elections, is amended to read as follows:

(B) However, if the rate approved has been modified pursuant to the uniform rate of tax calculated by the ~~Department~~ Division of Elementary and Secondary Education, then the tax shall be collected at the modified rate until another rate is approved.

SECTION 1476. Arkansas Code § 26-80-403 is amended to read as follows:

26-80-403. Establishment of compliance.

Compliance with the uniform rate of tax shall be established by the ~~Department of Education~~ Division of Elementary and Secondary Education in coordination with the Assessment Coordination ~~Department~~ Division.

SECTION 1477. Arkansas Code § 26-80-404 is amended to read as follows:

26-80-404. Calculation of compliance with the uniform rate of tax.

(a) On or before October 1 of each year, the ~~Department of Education~~

Division of Elementary and Secondary Education, in conjunction with the Assessment Coordination ~~Department~~ Division, shall monitor each school district's compliance with the uniform rate of tax.

(b)(1) The ~~Department of Education~~ Division of Elementary and Secondary Education and the Assessment Coordination ~~Department~~ Division shall determine compliance with the uniform rate of tax by analyzing the millage rate levied for maintenance and operation millage from the most recent school election in a school district in which the ad valorem tax rate was voted upon.

(2) If the millage rate levied for maintenance and operation millage is equal to or greater than twenty-five (25) mills, then the school district is in compliance with the uniform rate of tax and Arkansas Constitution, Amendment 74.

SECTION 1478. Arkansas Code § 27-16-701(e), concerning an application for a commercial or noncommercial driver's license or instruction permit and restricted permits, is amended to read as follows:

(e) The ~~Department of Education~~ Division of Elementary and Secondary Education shall develop guidelines for use by school districts to provide a certified exemption from the "C" average requirement of subdivisions (d)(1)-(3) of this section to a student found to be performing at his or her fullest level of capability although that may be below a "C" average.

SECTION 1479. Arkansas Code § 27-20-109 is amended to read as follows:

27-20-109. Operator instruction.

(a) The ~~Department of Education~~ Division of Elementary and Secondary Education is authorized to prescribe and offer a course in motorcycle and motor-driven cycle operator instruction to be conducted as a part of the driver education program.

(b)(1) The course in motorcycle and motor-driven cycle operation may be conducted both at the elementary and high school levels.

(2) The course should include classroom instruction, actual operation of a motorcycle or motor-driven cycle, and other matters that the ~~Department~~ division may determine to be necessary to properly equip the student to safely operate a motorcycle.

SECTION 1480. Arkansas Code § 27-24-1102(4), concerning agriculture education, is amended to read as follows:

(4) Certifies to the ~~Department~~ Division of Higher Education that its students are accepted for transfer at institutions accredited by an accrediting agency recognized by the ~~federal~~ United States Department of Education; and

SECTION 1481. Arkansas Code § 27-24-1422(a)(1), concerning the Dr. Martin Luther King, Jr. license plate, is amended to read as follows:

(a)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall issue a special license plate in honor of Dr. Martin Luther King, Jr. in the manner and subject to the conditions provided for under this subchapter.

SECTION 1482. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that this act revises the duties of certain state entities; that this act establishes new departments of the state; that these revisions impact the expenses and operations of state government; and that the provisions of this act should become effective at the beginning of the fiscal year to allow for implementation of the new provisions at the beginning of the fiscal year. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2019.