

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

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1539

By: Representatives A. Collins, D. Garner, Gonzales Worthen, McCullough, Springer

For An Act To Be Entitled

AN ACT TO AMEND THE PUBLIC SCHOOL FUNDING ACT OF 2003; TO ADD AN ADDITIONAL EDUCATION CATEGORY OF FUNDING FOR SPECIAL EDUCATION; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE PUBLIC SCHOOL FUNDING ACT OF 2003; AND TO ADD AN ADDITIONAL EDUCATION CATEGORY OF FUNDING FOR SPECIAL EDUCATION.

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

SECTION 1. DO NOT CODIFY. Legislative findings and intent.

The General Assembly finds that:

(1) Under the Arkansas Constitution, the General Assembly must provide funding for an adequate and equitable education for every child in the State of Arkansas;

(2) To provide an adequate and equitable education for every child in the state, the General Assembly should adopt the recommendations presented by the House Committee on Education and Senate Committee on Education in the 2024 Educational Adequacy Study final report for funding public schools in the upcoming biennium, except in the areas of special education, staff pay, and mental health;

(3) Special education funding should be increased and moved from foundation funding to categorical funding;

(4) Special education is underfunded by the state according to



the 2024 Educational Adequacy Study, with seventy-two percent (72%) of superintendents reporting that their school districts are in moderate or extreme need of more funding for special education teachers;

(5) Special education funds are currently allocated by the number of students in a school district rather than the number of students with special needs in a school district, leading to a mismatch of funds;

(6) Special education funds are part of foundation funding, meaning they do not currently have to be spent on special education, but if they were categorical funds, they would have to be spent on only special education;

(7) Public school classified staff members should get a real raise;

(8) Public school classified staff members are vital members of a learning community and are often underpaid;

(9) Inadequate pay for public school classified staff members negatively impacts a public school district's ability to recruit and retain quality public school classified staff members, which negatively impacts the student experience, school morale, and educational outcomes;

(10)(A) In 2023, the General Assembly approved foundation funding, including what the biennial matrix called a "\$2 salary increase", for public school classified staff members.

(B) Despite approving a salary increase, there was enough money allocated for only five and four-tenths (5.4) full-time equivalent classified staff members per five hundred (500) students, whereas there are actually twenty-nine and eight-tenths (29.8) full-time equivalent public school classified staff members per five hundred (500) students in Arkansas public schools, meaning that the "\$2 salary increase" was only a 30 cents (30¢) per hour raise when spread among all full-time public school equivalent classified staff members;

(11) The state should not only deliver on its previous promise of funding a two dollars (\$2.00) per hour raise for public school classified staff members, but should catch up with inflation and deliver a four dollars (\$4.00) per hour raise for public school classified staff members, ensuring that the funding is there to pay every public school classified staff member at least fifteen dollars (\$15.00) per hour;

(12) Funding should be added for more counselors and social

workers in public schools;

(13) Mental health is a statewide crisis, especially among youth;

(14) Public school counselors perform many functions that directly and indirectly impact youth mental health, but due to limited public school district funds and a statewide counselor shortage, public school counselors are often overworked and asked to perform functions outside their intended responsibilities; and

(15) The state should provide sufficient funding for either two (2) counselors per five hundred (500) students or one (1) counselor and one (1) social worker per five hundred (500) students to improve counselor working conditions and student outcomes.

SECTION 2. Arkansas Code § 6-20-2305(a)(2), concerning per-student foundation funding amounts under the Public School Funding Act of 2003, is amended to read as follows:

(2)(A) For the ~~2023-2024~~ 2025-2026 school year, the foundation funding amount is equal to ~~seven thousand six hundred eighteen dollars (\$7,618)~~ eight thousand one hundred sixty-five dollars (\$8,165) multiplied by the school district's average daily membership for the previous school year.

(B) For the ~~2024-2025~~ 2026-2027 school year and each school year thereafter, the foundation funding amount is equal to ~~seven thousand seven hundred seventy one dollars (\$7,771)~~ eight thousand three hundred sixty-one dollars (\$8,361) multiplied by the school district's average daily membership for the previous school year.

SECTION 3. Arkansas Code § 6-20-2305(b)(2)(A), concernign alternative learning environment funding under the Public School Funding Act of 2003, is amended to read as follows:

(2)(A)(i) For the ~~2023-2024~~ 2025-2026 school year, alternative learning environment funding shall be ~~four thousand nine hundred eighty seven dollars (\$4,987)~~ five thousand two hundred twelve dollars (\$5,212) multiplied by the number of identified alternative learning environment students enrolled during the previous school year.

(ii) For the ~~2024-2025~~ 2026-2027 school year, alternative learning environment funding shall be ~~five thousand eighty six~~

~~dollars (\$5,086)~~ five thousand three hundred forty-one dollars (\$5,341) multiplied by the number of identified alternative learning environment students enrolled during the previous school year.

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

SECTION 4. Arkansas Code § 6-20-2305(b)(3), concerning funding for English learners under the Public School Funding Act of 2003, is amended to read as follows:

(3)(A) For the ~~2023-2024~~ 2025-2026 school year, funding for students who are identified as English learners shall be ~~three hundred sixty-six dollars (\$366)~~ three hundred seventy-five dollars (\$375) for each identified English learner.

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

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

(D) For the ~~2024-2025~~ 2026-2027 school year and each school year thereafter, funding for students who are identified as English learners shall be ~~three hundred sixty-six dollars (\$366)~~ three hundred eighty-four dollars (\$384) for each identified English learner.

SECTION 5. Arkansas Code § 6-20-2305(b)(4)(A), concerning Enhanced Student Achievement Funding under the Public School Funding Act of 2003, is amended to read as follows:

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

(i) For a public school district in which ninety percent (90%) or more of the previous school year's enrolled students are national school lunch students, the amount of per-student Enhanced Student

Achievement Funding for the ~~2023-2024~~ 2025-2026 school year is ~~one thousand six hundred thirteen dollars (\$1,613)~~ one thousand six hundred fifty-three dollars (\$1,653) and for the ~~2024-2025~~ 2026-2027 school year is ~~one thousand six hundred thirteen dollars (\$1,613)~~ one thousand six hundred ninety-four dollars (\$1,694);

(ii) For a public school district in which at least seventy percent (70%) but less than ninety percent (90%) of the previous school year's enrolled students are national school lunch students, the amount of per-student Enhanced Student Achievement Funding for the ~~2023-2024~~ 2025-2026 school year is ~~one thousand seventy-six dollars (\$1,076)~~ one thousand one hundred and three (\$1,103) and for the ~~2024-2025~~ 2026-2027 school year is ~~one thousand seventy-six dollars (\$1,076)~~ one thousand one hundred thirty dollars (\$1,130); and

(iii) For a public school district in which less than seventy percent (70%) of the previous school year's enrolled students are national school lunch students, the amount of per-student Enhanced Student Achievement Funding for the ~~2023-2024~~ 2025-2026 school year is ~~five hundred thirty-eight dollars (\$538)~~ five hundred fifty-one dollars (\$551) and for the ~~2024-2025~~ 2026-2027 school year is ~~five hundred thirty-eight dollars (\$538)~~ five hundred sixty-five dollars (\$565).

SECTION 6. Arkansas Code § 6-20-2305(b)(5)(C)(i), concerning professional development funding for professional learning communities under the Public School Funding Act of 2003, is amended to read as follows:

(C)(i) For the ~~2023-2024~~ 2025-2026 school year and each school year thereafter, additional funding up to sixteen million five hundred thousand dollars (\$16,500,000) provided for professional development above the amount in subdivision (b)(5)(A) of this section shall be used by the Division of Elementary and Secondary Education for the development and administration of professional learning communities for the benefit of public school districts.

SECTION 7. Arkansas Code § 6-20-2305(b)(6)(A), concerning the statewide target average annual salary for teachers under the Public School Funding Act of 2003, is amended to read as follows:

(6)(A)(i) Beginning with the 2021-2022 school year, for school

districts identified by the Division of Elementary and Secondary Education as having an average annual teacher salary below the statewide target average annual salary, teacher salary equalization funding shall be equal to one hundred eighty-five dollars (\$185) multiplied by the average daily membership of the school district for the previous school year.

(ii) For the ~~2023-2024~~ 2025-2026 and ~~2024-2025~~ 2026-2027 school years, the statewide target average annual salary shall be fifty-one thousand eight hundred twenty-two dollars (\$51,822).

(iii) The House Committee on Education and the Senate Committee on Education shall set jointly the statewide target average annual salary for the ~~2025-2026~~ 2027-2028 and ~~2026-2027~~ 2028-2029 school years, and each biennium thereafter, as part of the adequacy review process required under § 10-3-2102.

SECTION 8. Arkansas Code § 6-20-2305(b), concerning education categories of funding in addition to state foundation funding aid, is amended to add an additional subdivision to read as follows:

(7)(A) For the 2025-2026 school year and each school year thereafter, special education funding shall be three thousand eight hundred sixty-two dollars (\$3,862) multiplied by the number of students who receive special education and related services required by an individualized education plan.

(B) Funding for students who receive special education and related services required by an individualized education plan under subdivision (b)(7)(A) of this section shall be distributed based on rules promulgated by the state board.

(C) Funding for students who receive special education and related services required by an individualized education plan shall not be incorporated into the state foundation funding aid amount established under subsection (a) of this section.