

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4

# A Bill

SENATE BILL 535

5 By: Senator B. Johnson  
6 By: Representative Murdock  
7

## For An Act To Be Entitled

9 AN ACT CONCERNING THE ACADEMIC FACILITIES WEALTH  
10 INDEX; TO REVISE THE METHOD BY WHICH THE ACADEMIC  
11 FACILITIES WEALTH INDEX IS CALCULATED; AND FOR OTHER  
12 PURPOSES.  
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## Subtitle

15 TO REVISE THE METHOD BY WHICH THE  
16 ACADEMIC FACILITIES WEALTH INDEX IS  
17 CALCULATED.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code § 6-20-2502(1)(A), concerning the calculation  
24 of the "academic facilities wealth index" in the Arkansas Public School  
25 Academic Facilities Funding Act, is amended to read as follows:

26 (1)(A) For fiscal years 2024-2025 and each year thereafter,  
27 "~~Academic~~ academic facilities wealth index" means a percentage derived from  
28 the following computations:

29 (i) Determine the value of one (1) mill per student  
30 in each school district as follows:

31 (a) Multiply the value of one (1) mill by the  
32 total assessed valuation of taxable real, personal, and utility property in  
33 the school district as shown by the applicable county assessment for the most  
34 recent year; and

35 (b) Divide the product from subdivision  
36 (1)(A)(i)(a) of this section by the largest average daily membership of a



1 school district over the previous decade;

2 (ii)(a) Calculate each school district’s relative  
3 median income by dividing the household median income for the area served by  
4 each school district by the household median income of the school district  
5 with the highest household median income.

6 (b) The household median income used in  
7 subdivision (1)(A)(ii)(a) of this section shall be the household median  
8 income as estimated by the United States Bureau of the Census’s American  
9 Community Survey;

10 (iii) Calculate the median income per mill value by  
11 multiplying each school district’s value of one (1) mill per student as  
12 calculated under subdivision (1)(A)(i) of this section by the school  
13 district’s relative median income as calculated under subdivision  
14 (1)(A)(ii)(a) of this section; and

15 (iv) Identify the school district at the ninety-  
16 fifth percentile according to the value calculated under subdivision  
17 (1)(A)(iii) of this section by:

18 ~~(i) Determine the value of one (1) mill per~~  
19 ~~student in each school district as follows:~~

20 ~~(a) Multiply the value of one (1) mill~~  
21 ~~by the total assessed valuation of taxable real, personal, and utility~~  
22 ~~property in the school district as shown by the applicable county assessment~~  
23 ~~for the most recent year; and~~

24 ~~(b) Divide the product from subdivision~~  
25 ~~(1)(A)(i)(a) of this section by the greater of the prior year average daily~~  
26 ~~membership of the school district or the prior three year average of the~~  
27 ~~school district’s average daily membership;~~

28 ~~(ii)(a) Determine~~ Determining student millage  
29 rankings by listing the ~~computation~~ median income per mill value under  
30 subdivision ~~(1)(A)(i)~~ (1)(A)(iii) of this section for each school district  
31 from ~~students~~ districts with the lowest ~~value~~ median income per mill value to  
32 students with the highest ~~value~~ median income per mill value;

33 ~~(iii)(b) Allocate~~ Allocating the student  
34 millage rankings into percentiles with the first percentile containing the  
35 one percent (1%) of students based on the prior year average daily membership  
36 with the lowest value per mill and the one-hundredth percentile containing

1 the one percent (1%) of students with the highest value per mill; and

2 ~~(iv)(c) Divide the value of one (1) mill per~~  
3 ~~student in each school district~~ Dividing the median income per mill value as  
4 computed under subdivision ~~(1)(A)(i)~~ (1)(A)(iv)(a) of this section by the  
5 amount corresponding to the ninety-fifth percentile of the student millage  
6 rankings under subdivision ~~(1)(A)(iii)~~ (1)(A)(iv)(b) of this section; and

7 (d) Every school district with a wealth  
8 index of one (1.00) or greater will be funded at the same level as the first  
9 school district with a wealth index below one (1.00), except that funding  
10 under this subdivision (1)(A)(iv)(d) shall not exceed the amount of funding  
11 provided to a school district with a wealth index of nine hundred and ninety-  
12 five one-thousandths (0.995); and

13 (B) For fiscal years 2022-2023, "academic facilities  
14 wealth index" means a percentage derived from the following computations:

15 (i) Determine the value of one (1) mill per student  
16 in each school district as follows:

17 (a) Multiply the value of one (1) mill by the  
18 total assessed valuation of taxable real, personal, and utility property in  
19 the school district as shown by the applicable county assessment for the most  
20 recent year; and

21 (b) Divide the product from subdivision  
22 (1)(B)(i)(a) of this section by the prior year average daily membership of  
23 the school district or the prior three-year average of the school district's  
24 average daily membership;

25 (ii) Determine student millage rankings by listing  
26 the computation under subdivision (1)(A)(i) of this section for each school  
27 district from students with the lowest value per mill to students with the  
28 highest value per mill;

29 (iii) Allocate the student millage rankings into  
30 percentiles with the first percentile containing the one percent (1%) of  
31 students with the lowest value per mill and the one-hundredth percentile  
32 containing the one percent (1%) of students with the highest value per mill;

33 (iv) Divide the value of one (1) mill per student in  
34 each school district as computed under subdivision (1)(B)(i) of this section  
35 by the amount corresponding to the ninety-fifth percentile of the student  
36 millage rankings under subdivision (1)(B)(iii) of this section.

1                   (v) Every school district with a wealth index of one  
2 (1.00) or greater will be funded at the same level as the first school  
3 district with a wealth index below one (1.00), except that funding under this  
4 subdivision (1)(B)(v) shall not exceed the amount of funding provided to a  
5 school district with a wealth index of nine hundred and ninety-five one-  
6 thousandths (0.995).

7                   (vi) Subtract the academic facilities wealth index  
8 as determined under subdivisions (1)(B)(iv) and (1)(B)(v) of this section  
9 from the academic facilities wealth index as determined under subdivision  
10 (1)(A)(iv) of this section;

11                   (vii) Divide the result from subdivision (1)(B)(vi)  
12 of this section by two (2); and

13                   (viii) Add the value from subdivision (1)(B)(iv) of  
14 this section with the number calculated in subdivision (1)(B)(vi) of this  
15 section.

16                   ~~(B) Every school district with a wealth index of one~~  
17 ~~(1.00) or greater will be funded at the same level as the first school~~  
18 ~~district with a wealth index below one (1.00), except that funding under this~~  
19 ~~subdivision (1)(B) will not exceed the amount of funding provided for a~~  
20 ~~wealth index of nine hundred ninety five thousandths (0.995).~~

21                   (C)(i) The percentage derived from the computation under  
22 subdivision (1)(A)(iv) of this section is the academic facilities wealth  
23 index for a school district, which shall be computed annually and used to  
24 determine the amount of the school district’s share of financial  
25 participation in a local academic facilities project eligible for state  
26 financial participation under priorities established by the Division of  
27 Public School Academic Facilities and Transportation.

28                   (ii) The state’s share of financial participation in  
29 a local academic facilities project eligible for state financial  
30 participation under priorities established by the division is the percentage  
31 derived from subtracting the school district’s percentage share of financial  
32 participation determined under subdivision (1)(C)(i) of this section from one  
33 hundred percent (100%);

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