

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021

# A Bill

SENATE BILL 504

4  
5 By: Senator Irvin  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND PROVISIONS OF THE CODE CONCERNING  
9 STATE FOUNDATION FUNDING AID; TO CREATE THE TEACHER  
10 SALARY EQUALIZATION FUND; TO DECLARE AN EMERGENCY;  
11 AND FOR OTHER PURPOSES.  
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## Subtitle

14 TO AMEND PROVISIONS OF THE CODE  
15 CONCERNING STATE FOUNDATION FUNDING AID;  
16 TO CREATE THE TEACHER SALARY EQUALIZATION  
17 FUND; AND TO DECLARE AN EMERGENCY.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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23 SECTION 1. DO NOT CODIFY. Legislative findings.

24 The General Assembly finds that:

25 (1) In Lake View Sch. Dist. No. 25 v. Huckabee, 351 Ark. 31,  
26 (2002), the Supreme Court identified the following as two (2) historical  
27 deficiencies of education funding:

28 (A) Teacher salaries that are not comparable to  
29 surrounding states; and

30 (B) Disparities in teacher salaries within this state;

31 (2) The Bureau of Legislative Research reported that the average  
32 teacher salary in this state for fiscal year 2020 was forty-nine thousand  
33 eight hundred twenty-two dollars (\$49,822) as published by the National  
34 Education Association, which is an increase of three hundred eighty-four  
35 dollars (\$384) from forty-nine thousand four hundred thirty-eight dollars  
36 (\$49,438) in fiscal year 2019;



1           (3) In the 2020 adequacy study, the teacher salary report  
2 presented to the House Committee on Education and the Senate Committee on  
3 Education reported data indicating that Arkansas is not keeping pace with  
4 surrounding and Southern Regional Educational Board member states;

5           (4) In 2019, the gap between the highest average salary within  
6 the state of sixty thousand nine hundred sixty-three dollars (\$60,963) and  
7 the lowest average salary of thirty-nine thousand five hundred seventy-eight  
8 dollars (\$39,578) was twenty-one thousand three hundred eighty-five dollars  
9 (\$21,385);

10           (5) In surveys of principals and superintendents, the Bureau of  
11 Legislative Research reported difficulty in offering competitive salaries as  
12 the most significant barrier to teacher recruitment and retention; and

13           (6) Difficulty in offering competitive salaries continues to be  
14 a barrier to teacher recruitment and retention despite increases to the  
15 minimum teacher salaries each year since 2015.

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17           SECTION 2. Arkansas Code § 6-20-2305(b)(1), concerning state  
18 foundation funding aid and school funding under the Public School Funding Act  
19 of 2003, is amended to read as follows:

20           (b)(1) In addition to state foundation funding aid, each school  
21 district shall receive funding for additional education categories as  
22 provided in ~~subdivisions (b)(2)-(5)~~ subdivisions (b)(2)-(6) of this section.

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24           SECTION 3. Arkansas Code § 6-20-2305(b), concerning state foundation  
25 funding aid and school funding under the Public School Funding Act of 2003,  
26 is amended to add an additional subdivision to read as follows:

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

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

36                   (iii) The House Committee on Education and the

1 Senate Committee on Education shall set jointly the statewide target average  
2 annual salary for the 2023-2024 and 2024-2025 school years, and each biennium  
3 thereafter, as part of the adequacy review process required under § 10-3-  
4 2102.

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

10 (ii) A school district with an average annual  
11 teacher salary meeting or exceeding the statewide target average annual  
12 teacher salary for the year is ineligible to receive teacher salary  
13 equalization funds exceeding the amount received by the school district in  
14 the previous year.

15 (iii) A school district that receives funds from the  
16 Educator Compensation Reform Fund, Acts 2019, No. 877, is ineligible to  
17 receive teacher salary equalization funds for the year in which the school  
18 district receives funds from the Educator Compensation Reform Fund.

19 (iv) A school district shall continue to receive  
20 teacher salary equalization funds in the same amount as the preceding fiscal  
21 year in addition to the amount eligible for the current fiscal year.

22 (C) Teacher salary equalization funding provided to a  
23 school district under this subchapter shall be expended only for teacher  
24 salaries and benefits.

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26 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the  
27 General Assembly of the State of Arkansas that there is a shortage of  
28 licensed teachers in several areas of this state; that teacher salaries are a  
29 key factor in attracting individuals to the field of teaching; and that the  
30 provisions of this act should become effective immediately in order to allow  
31 the provisions of this act to be implemented for the 2021-2022 school year.  
32 Therefore, an emergency is declared to exist, and this act being immediately  
33 necessary for the preservation of the public peace, health, and safety shall  
34 become effective on:

- 35 (1) The date of its approval by the Governor;
- 36 (2) If the bill is neither approved nor vetoed by the Governor,

1 the expiration of the period of time during which the Governor may veto the  
2 bill; or

3 (3) If the bill is vetoed by the Governor and the veto is  
4 overridden, the date the last house overrides the veto.

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7 **APPROVED: 4/12/21**  
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