



## AR School Choice Statute & Mandate

### Description

Title: AR School Choice Statute and its grossly underfunded mandate.

By: [Bob McCleskey](#) (HSV resident, served 8+ years on the Fountain Lake Board of Education)

#### Financial ramifications of AR school choice statute

I think the best way to start this discussion is to quote Tom Hanks when he stated “Houston, we have a problem”. In this case, the problem is how the [AR school choice statute \(6-18-1901\)](#) was written and how it dealt with the financial ramifications of students transferring to another Arkansas school district as a “nonresident” student.

The statute [6-18-1904(e)] addresses the financial impact on the two districts involved in a school choice occurrence as follows: *“For purposes of determining a school district’s state aid, a transfer student is counted as a part of the average daily membership of the nonresident district where the transfer student is enrolled.”*

**Overly simplistic method results in some districts footing education bill for nonresident students**

This overly simplistic method of funding the financial impact between school districts results in the taxpayers in some districts (Fountain Lake is one) largely footing the bill for the education of the nonresident student(s). If you think that is an exaggeration, consider the following.



**Fountain Lake School District**

**Should a Jessieville student be accepted as a choice student by FLSD, the financial impact on the two districts is as follows (information from 2018-2019 Preliminary State Aid Notices):**

- **Jessieville loses \$4,435 in State aid as follows: Foundation Funding (FF) (\$3,169) and Categorical Aid (CA) (\$1,266), for a total of \$4,435**
- **FL receives only its normal State aid made up of FF (\$155) and CA (\$411) for a total of \$566 per student.**
- **The state thus saves \$3,869 per Jessieville choice student per year ( $\$4,435 - \$566 = \$3,869$ ) who attends FL.**
- **The numbers become more severe when a Cutter Morning Star student becomes a choice student at FL.**
- **CMS loses \$6,068 in State aid per student**
- **The State shifts \$5,502 ( $\$6068 - \$566 = \$5,502$ ) from their fiscal responsibility to FL for each CMS student who transfers to FL as a choice student.**

**Note: Source of data is the ADE Preliminary State Aid Notice (2018-2019)**

**Significant cost to taxpayers**

Considering FLSD's 2017-2018 total expenses per student of \$12,141 (source UA-OEP (2017-20180 report), and the 2018-2019 total State Aid received by FL (\$566), State aid amounts to 5% of the total cost and 95% (\$11,575) of the cost is borne by local taxpayers. In summary, the financial impact of (98) non-district choice students attending school in the FL school district in 2018-2019, means the state's contribution is \$55,468 and the local taxpayers are out \$1,134,350 per year, or the equivalent of 3+ mills of tax revenues.

#### More conservative calculation – but still significant cost

A more conservative way to compute the taxpayer cost is to consider the difference in revenue between what Open Enrollment Chart School students are provided in State Aid versus what FL receives. Using that approach, the taxpayer cost is \$649,348. Whichever approach you chose, it is a significant cost to FL taxpayers.

#### Fountain Lake taxpayers should not be responsible for cost of out-of-district students

FL district taxpayers should not be responsible for bearing the cost of educating out-of-district students, their home district or the state should have that responsibility. So, what is the solution and what impact is the problem likely to have on the district's desire to gain taxpayer approval for a millage increase?

I think it is obvious that when taxpayers become aware of this situation, the possibility of obtaining taxpayer approval for a millage increase of any amount is unlikely. It is also unlikely that a solution can be found in the short term. Whether there is a solution through the ADE or the legislature, is problematic but an alternative solution may be through the courts.

#### Illegal exaction

I believe the situation amounts to "illegal exaction" which is covered by [Arkansas' Constitution Article 16 Section 13](#) which reads:

#### Text of Section 13: Illegal Exactions

*Any citizen of any county, city or town may institute suit, in behalf of himself and all others interested, to protect the inhabitants thereof against the enforcement of any illegal exactions whatever.*

It certainly seems to me that requiring the taxpayers in one Arkansas school district to pay for a significant part of the cost to educate children who live in another school district qualifies as "illegal [exaction](#)". Considering the history of lawsuits in the district, filing a lawsuit to solve the problem is not in the best interests of either the district or taxpayers, but may turn out to be necessary to get the state to remedy the situation.

## Annual School Election will be held beginning on May 14, 2019 for Early Voting. Election Day is May, 21st

[Fountain-Lake-Early-Voting](#)

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1. HSV News

### Tags

1. AR Bob McCleskey
2. ar garland county fountain lake
3. AR school choice statute
4. Arkansas millage fountain lake
5. fountain lake board of education arkansas
6. fountain lake school district ar
7. Fountain Lake School District millage increase
8. fountain lake school election
9. fountain lake taxpayers
10. hot springs village bob mccleskey
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12. illegal exaction ar

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