

1 State of Arkansas
2 84th General Assembly
3 Second Extraordinary Session, 2003
4

As Engrossed: S1/6/04
A Bill

Call Item 4

HOUSE BILL 1060

5 By: Representatives Chesterfield, Clemons, Dobbins, Elliott, C. Johnson, J. Johnson, Walters
6 By: Senators Brown, Steele, Wilkins
7
8

9 **For An Act To Be Entitled**

10 AN ACT TO MEET THE MANDATE OF THE ARKANSAS
11 SUPREME COURT IN LAKE VIEW SCHOOL DISTRICT NO. 25
12 V. HUCKABEE; TO PROVIDE AN ADEQUATE EDUCATION FOR
13 CHILDREN WHO ATTEND PUBLIC SCHOOLS IN ARKANSAS BY
14 PROVIDING HOUSING INCENTIVES FOR ATTRACTING HIGH-
15 PERFORMING TEACHERS TO HIGH-PRIORITY SCHOOL
16 DISTRICTS; TO CREATE THE TEACHER HOUSING FUND;
17 AND FOR OTHER PURPOSES.
18

19 **Subtitle**

20 THE ARKANSAS TEACHER HOUSING DEVELOPMENT
21 ACT.
22
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. Arkansas Code Title 6 is amended to add an additional
27 chapter to read as follows:
28

29 CHAPTER 26.

30 THE ARKANSAS TEACHER HOUSING DEVELOPMENT ACT.
31

32 SUBCHAPTER 1 - GENERAL PROVISIONS.
33

34 6-26-101. Title.

35 This chapter shall be known and may be cited as the "Arkansas Teacher
36 Housing Development Act".



1
2 6-26-102. Definitions.

3 For the purpose of this chapter:

4 (1) "Board" means the board of trustees for the Arkansas Teacher
5 Housing Development Foundation;

6 (2) "Department" means the Department of Education;

7 (3) "Director" means the Director of the Arkansas Teacher
8 Housing Development Foundation;

9 (4)(A) "Eligible home" means the primary residence of a high-
10 performing teacher that is located within thirty (30) miles of a high-
11 priority school district.

12 (B) "Eligible home" shall not include any dwelling with a
13 purchase price of more than one hundred thousand dollars (\$100,000);

14 (5) "Foundation" means the Arkansas Teacher Housing Development
15 Foundation;

16 (6) "High-performing school district" means a school district in
17 the State of Arkansas that has fifty percent (50%) or more of its students
18 performing above proficient on all benchmark examinations;

19 (7) "High-performing teacher" means a certified teacher that
20 meets one (1) of the following criteria:

21 (A)(i) Is currently employed at a high-performing school
22 district as a classroom teacher.

23 (ii) Has three (3) years or more of experience
24 teaching in the subject area that the high-priority school district is
25 seeking;

26 (B)(i) Is not currently employed at a high-performing
27 school district, but in the past has taught at a high-performing school
28 district for a minimum of three (3) years.

29 (ii)(a) Obtains three (3) letters of recommendations
30 from the high-performing school district at which the teacher has taught in
31 the past that verifies the teacher's effectiveness as a classroom teacher.

32 (b) The three letters of recommendation shall
33 be provided by any of the following:

34 (1) A principal who supervised and
35 evaluated the teacher when he or she taught at a school in the high-
36 performing school district;

1 (2) An assistant principal who
2 supervised and evaluated the teacher when he or she taught at a school in the
3 high-performing school district; or

4 (3) A superintendent of the high-
5 performing school district; or

6 (4) Any other school official at the
7 high-performing school district with knowledge of the teacher's performance
8 during employment at the high-performing school district, including anyone
9 with access to the teacher's personnel file or evaluations; and

10 (iii) Explains in a sworn statement as to the
11 reasons why he or she is currently not employed as a classroom teacher in a
12 high-performing school district; or

13 (C)(i) Is currently employed at a high-priority school
14 district as a classroom teacher;

15 (ii) Has three (3) years or more of experience
16 teaching in the subject area at the high-priority school district;

17 (iii) Has demonstrated the ability to successfully
18 teach children in the high-priority school district;

19 (iv)(a) Obtains three (3) letters of recommendations
20 from the high-priority school district at which the teacher is currently
21 teaching that verifies the teacher's effectiveness as a classroom teacher.

22 (b) The three letters of recommendation shall
23 be provided by any of the following:

24 (1) The classroom teacher's current
25 immediate supervisor;

26 (2) The current principal at the
27 classroom teacher's school;

28 (2) An assistant principal who
29 supervises and evaluates the classroom teacher; or

30 (3) The superintendent of the school
31 district where the classroom teacher teaches; or

32 (4) Any other school official at the
33 high-priority school district where the classroom teacher currently teaches
34 with knowledge of the classroom teacher's performance, including anyone with
35 access to the classroom teacher's personnel file, evaluations, or student
36 test scores; and

1 (8) "High-priority school district" means a school district that
2 meets the following criteria:

3 (A) Has had difficulty recruiting and retaining high-
4 performing teachers for any grades kindergarten through twelve (K-12);

5 (B) Has a critical shortage of teachers qualified to teach
6 for any grades kindergarten through twelve (K-12); and

7 (C) Has fifty percent (50%) or more of the students in the
8 district performing below proficient on any or all benchmark examinations;
9 and

10 (9) "State Board" means the State Board of Education.

11
12 6-26-103. Arkansas Teacher Housing Development Foundation.

13 There is established a foundation to be known as the "Arkansas Teacher
14 Housing Development Foundation".

15
16 6-26-104. Purpose.

17 The purpose of the Arkansas Teacher Housing Development Foundation is
18 to:

19 (1) Develop or to facilitate the development of affordable
20 housing for high-performing teachers in high-priority school districts; and

21 (2) Provide housing incentives to encourage high-performing
22 teachers to move to high-priority school districts.

23
24 SUBCHAPTER 2 - ARKANSAS TEACHER HOUSING
25 DEVELOPMENT FOUNDATION BOARD OF TRUSTEES.

26
27 6-26-201. Creation.

28 (a) The Arkansas Teacher Housing Development Foundation shall be
29 operated and controlled by a board of trustees that consists of nine (9)
30 members as follows:

31 (1) Three (3) members appointed by the President Pro Tempore of
32 the Senate as follows:

33 (A) One (1) person selected from a list of no fewer than
34 ten (10) names submitted by the Arkansas Education Association;

35 (B) One (1) person who is selected from a list of no fewer
36 than ten (10) names submitted by the Arkansas State Chamber of Commerce and

1 the Associated Industries of Arkansas;

2 (C) One (1) person who has a minimum of ten (10) years of
3 experience in housing development or fundraising; and

4 (2) Three (3) members appointed by the Speaker of the House of
5 Representatives as follows:

6 (A) One (1) person selected from a list of no fewer than
7 ten (10) names submitted by the Arkansas Education Association;

8 (B) One (1) person who is selected from a list of no fewer
9 than ten (10) names submitted by the Arkansas State Chamber of Commerce and
10 the Associated Industries of Arkansas; and

11 (C) One (1) person who has a minimum of ten (10) years of
12 experience in housing development or fundraising;

13 (3) The president of the Arkansas Chapter of the National
14 Association of Minority Contractors, or his or her designee;

15 (4) The director of the Arkansas Development Finance Authority,
16 or his or her designee; and

17 (5) The executive director of the Arkansas Teacher Retirement
18 System, or his or her designee.

19 (b) The appointed board members shall be residents of the State of
20 Arkansas at the time of appointment and throughout their terms.

21 (c)(1) All appointments shall be made no later than thirty (30) days
22 after the effective date of this chapter.

23 (2) If any entity fails to submit a list within fifteen (15)
24 days from the effective date of this chapter, the appointing official who did
25 not receive a list may make an appointment from the state at large.

26 (d)(1) Except for initial appointments, the appointments to the
27 committee shall be for a term of four (4) years.

28 (2) For initial appointments, the members shall draw lots to
29 determine the length of their terms as follows:

30 (A) Three (3) members shall have terms of two (2) years;

31 (B) Three (3) members shall have terms of three (3) years;

32 and

33 (C) Three (3) members shall have a term of four (4) years.

34 (e)(1) If a vacancy occurs in an appointed position for any reason,
35 the vacancy shall be filled by appointment by the official that made the
36 appointment.

1 (2) The new appointee shall serve for the remainder of the
2 unexpired term.

3 (f) The members shall determine by majority vote who shall serve as
4 chairperson.

5 (g)(1) The foundation shall meet at such times and places that the
6 chairperson deems necessary but no meetings shall be held outside of the
7 State of Arkansas.

8 (2) The chairperson shall call an organizational meeting no
9 fewer than thirty (30) days after all of the members are appointed.

10 (3) Five (5) of the members of the board shall constitute a
11 quorum for the purpose of transacting business.

12 (4) All actions of the board shall be by a quorum.

13 (h)(1) The Department of Education shall provide staff and office
14 space to the foundation.

15 (2) All members of the commission may receive expense
16 reimbursement in accordance with § 25-16-902 to be paid by the department.

17
18 6-26-202. Duties.

19 (a) The Arkansas Teacher Housing Development Foundation Board of
20 Trustees shall elect annually a chairperson, a secretary, and other officers
21 as the board deems appropriate.

22 (b)(1) The board shall employ a director who is charged with the
23 management and control of the Arkansas Teacher Housing Development
24 Foundation.

25 (2)(A) The director shall have the following qualifications:

26 (i) A bachelor's degree from an accredited four-year
27 university;

28 (ii) At least five (5) years of management
29 experience; and

30 (iii) At least seven (7) years of experience in any
31 of the following areas:

32 (a) Fundraising for nonprofit organizations;

33 (b) Sales or marketing; or

34 (c) Governmental relations.

35 (B) Three (3) of the five (5) years of management
36 experience may be substituted by any of the following:

1 (i) A master's degree in business administration
2 from an accredited university;

3 (ii) A doctor of philosophy degree in education from
4 an accredited university; or

5 (iii) A juris doctorate degree from an accredited
6 law school.

7 (c)(1) The board shall meet at least four (4) times a year.

8 (2) The chairperson is authorized to call special meetings of
9 the board as needed upon two (2) days' written notice to the members.

10 (3) Any three (3) board members are authorized to call special
11 meetings of the board upon two (2) days' written notice to the members.

12 (d) The primary objectives of the board shall be as follows:

13 (1) To determine which school districts in the state fall under
14 the definitions in this chapter for the following:

15 (A) High-priority school district; and

16 (B) High-performing school district;

17 (2) To implement housing incentive programs under this chapter;

18 (3) To develop new housing incentive programs for high-priority
19 school districts;

20 (4) To recommend legislation to improve housing incentive
21 programs for high-priority school districts;

22 (5) To obtain private and public sources of funding for housing
23 incentive programs for high-priority school districts; and

24 (6) To make recommendations to the Department of Education and
25 the State Board of Education regarding housing incentive programs for high-
26 priority school districts.

27 (e) The department and the State Board of Education shall provide the
28 information and assistance necessary for the board to perform its duties
29 under this chapter.

30 (f)(1) The board may enter into agreements with other state agencies
31 or entities to develop, fund, implement, or administer the programs in this
32 chapter, including, but not limited to:

33 (A) The Department of Education;

34 (B) The State Board of Education;

35 (C) Arkansas Development Finance Authority; and

36 (D) The Arkansas Teacher Retirement System.

1 (2) The board may contract with private entities to assist with
2 the development, funding, implementation, and administration of the programs
3 in this chapter.

4 (g) The board shall promulgate rules with respect to this chapter and
5 prescribe the forms and procedures for compliance with the rules.

6 (h)(1) The board or its designee may:

7 (A) Accept any gifts, grants, bequests, devises, and
8 donations made to the State of Arkansas for the purpose of funding the
9 Teacher Housing Fund and the programs created under this chapter; and

10 (B) Deposit any gifts, grants, bequests, devises, and
11 donations so received into the fund.

12 (2) The board or its designee shall quarterly certify to the
13 Treasurer of State the amount contributed to the fund through private or
14 public sources.

15 (3) The gifts, grants, bequests, devises, and donations made
16 under this chapter shall be used together with any other funds appropriated
17 or acquired for funding the fund.

18 (i) The director or his designee shall provide an annual report by
19 October 1 of each year to the chair of the Senate Interim Committee on
20 Education and the chair of the House Interim Committee on Education
21 containing the following information:

22 (1) A list of the school districts in high-priority school
23 districts, as determined by the board;

24 (2) A list of the school districts in high-performing school
25 districts, as determined by the board;

26 (3) Current housing incentives that are offered to high-
27 performing teachers who choose to teach in high-priority school districts;

28 (4) The funding available and the sources for funding for
29 housing incentives for high-priority school districts;

30 (5) The number of recipients of housing incentives provided
31 under this chapter; and

32 (6) The list of high-performing teachers who have pending
33 applications for housing benefits under this chapter.

34
35 SUBCHAPTER 3 - TEACHER HOUSING DEVELOPMENT REQUIREMENTS.
36

1 6-26-301. Housing incentives for high-priority school districts.

2 (a) Beginning July 1, 2004, the following housing incentives shall be
3 provided to high-performing teachers who choose to teach in high-priority
4 school districts:

5 (1) A home loan program; and

6 (2) A pilot rental housing program.

7 (b) A high-performing teacher who receives benefits under this chapter
8 shall commit to teach for a minimum of five (5) years in a high-priority
9 school district.

10
11 6-26-302. Home loan program.

12 (a) The Arkansas Teacher Housing Development Foundation Board of
13 Trustees shall develop, implement, and administer a home loan program to
14 provide special home loan financing to high-performing teachers who choose to
15 teach in high-priority school districts.

16 (b)(1) To the extent allowed by the available loan programs or
17 funding, the following financing options shall be included in the home loan
18 program:

19 (A) A conventional mortgage available for the purchase of
20 an eligible home, at an interest rate not to exceed six percent (6%) for a
21 thirty-year loan;

22 (B) A second mortgage, not to exceed twenty percent (20%)
23 of the total cost of an eligible home and at an interest rate not to exceed
24 four percent (4%); and

25 (C)(i) A forgivable loan equal to not more than ten
26 percent (10%) of the total cost of an eligible home, which is intended as
27 assistance with the down payment.

28 (ii) The forgivable loan shall be interest-free if
29 the high-performing teacher fulfills his or her obligation with the high-
30 priority school district.

31 (iii) The high-performing teacher shall receive one-
32 fifth (1/5) credit on the forgivable loan for each year that he or she
33 teaches in the high-priority school district.

34 (2)(A) The Director of the Arkansas Teacher Housing Development
35 Foundation shall provide a report to the House Interim Committee on Education
36 and the Senate Interim Committee on Education as to whether the loan program

1 as provided in this section has been and is being provided to high-performing
2 teachers or the loan program has been modified due to the available loan
3 programs or funding during any calendar year.

4 (B)(i) The report shall include the following:

5 (a) Data on the terms of each loan provided
6 under this section; and

7 (b) Any other data that is necessary for the
8 House Interim Committee on Education and the Senate Interim Committee on
9 Education to assess the effectiveness of the loan program.

10 (ii) The report shall clearly indicate which loans
11 provided under this section meet the requirements of this section and which
12 loans have been modified due to the available loan programs or funding.

13 (c)(1) A high-performing teacher who chooses to teach in a high-
14 priority school district has the option of using all or part of the financing
15 options available under this section.

16 (2) A high-performing teacher who chooses to teach in a high-
17 priority school district may exercise the right to the financing options
18 available under this section for a maximum of five (5) years after choosing
19 to teach in a high-priority school district.

20 (d)(1) If the high-performing teacher stops teaching in the high-
21 priority school district for any reason within five (5) years after
22 exercising an option for a conventional mortgage or second mortgage under
23 this section, then the remaining balance on the conventional mortgage or
24 second mortgage shall become due and payable within three (3) months of the
25 termination of the high-performing teacher's service to the high-priority
26 school district.

27 (2)(A) If the high-performing teacher stops teaching in the
28 high-priority school district for any reason within five (5) years after
29 exercising an option for a forgivable loan under this section, then the
30 remaining balance on the forgivable loan shall become due and payable within
31 three (3) months of the termination of the high-performing teacher's service
32 to the high-priority school district.

33 (B) The board may develop a supplemental loan program that
34 converts the forgivable loan into a conventional loan for high-performing
35 teachers who do not fulfill their obligation.

36

1 6-26-303. Pilot rental housing program.

2 (a) A pilot rental housing program shall be developed, implemented,
3 and administered by the Arkansas Teacher Housing Development Foundation Board
4 of Trustees in four (4) high-priority school districts in the state, one (1)
5 in each congressional district of the state.

6 (b)(1) The rental housing units shall be provided to high-performing
7 teachers who choose to teach in high-priority school districts.

8 (2) Only upon the approval of the board of trustees and only if
9 the housing is not able to be used by high-performing teachers in a high-
10 priority school district, the developer may lease to the following persons in
11 order of preference:

12 (A) Other certified staff of the high-priority school
13 district;

14 (B) Other non-certified staff of the high-priority school
15 district; or

16 (C) Any other person with a gross income of thirty-five
17 thousand (\$35,000) or less.

18 (3)(A) The Director of the Arkansas Teacher Housing Development
19 Foundation shall provide a report to the House Interim Committee on Education
20 and the Senate Interim Committee on Education as to whether the pilot rental
21 housing program as provided in this section has been and is being provided to
22 high-performing teachers or the pilot rental housing program has been
23 modified due to the available loan programs or funding during any calendar
24 year.

25 (B)(i) The report shall include the following:

26 (a) Data on the terms of each pilot rental
27 housing program developed under this subchapter; and

28 (b) Any other data that is necessary for the
29 House Interim Committee on Education and the Senate Interim Committee on
30 Education to assess the effectiveness of the pilot rental housing program.

31 (ii) The report shall clearly indicate whether the
32 pilot rental housing that has been developed meets the requirements of this
33 subchapter and provide details on any modification of the pilot rental
34 housing due to the available loan programs or funding.

35 (c) The reduced rate shall be at least fifty percent (50%) less than
36 the fair rental value of the rental housing unit.

1 (d) To the extent allowed by the available loan programs or funding,
2 the rental housing units offered shall include two (2) of the following
3 sizes, to be determined based on the expected demand by high-performing
4 teachers who will likely be attracted to the high-priority school district:

5 (1) A two-bedroom unit with one (1) bathroom and a minimum of
6 eight hundred square feet (800 sq. ft.);

7 (2) A three-bedroom unit with two (2) bathrooms and a minimum of
8 twelve hundred square feet (1200 sq. ft.); or

9 (3) A four-bedroom unit with two and one half (2 1/2) bathrooms
10 and a minimum of fifteen hundred square feet (1500 sq. ft.).

11 (e) To the extent allowed by the available loan programs or funding,
12 the rental housing offered shall meet the following requirements:

13 (1) Include all of the following new or late model, fully-
14 functioning appliances:

15 (A) Refrigerator with ice maker;

16 (B) Stove and oven;

17 (C) Microwave oven;

18 (D) Dishwasher;

19 (E) Full-sized washer and dryer; and

20 (F) Central heat and air conditioning;

21 (2) Be constructed to meet or exceed the local building and fire
22 codes;

23 (3) Be constructed to be energy efficient; and

24 (4)(A) If the pilot rental housing program is only serving one
25 (1) school district, then be located no farther than three (3) miles beyond
26 the high-priority school district boundaries at which the high-performing
27 teachers are being hired; or

28 (B) If the pilot rental housing program is serving two (2)
29 or more school districts, then be located no farther than twenty (20) miles
30 from any of the school districts using the housing;

31 (f)(1) Temporary rental housing may be provided to high-performing
32 teachers during the time that new rental housing units are being constructed
33 or existing rental housing units are being remodeled.

34 (2) Temporary rental housing does not have to meet the
35 requirements of this section.

36 (3) If the high-performing teacher is required to remain in

1 temporary rental housing for more than one (1) year, the high-performing
2 teacher can choose any of the following to compensate him or her for the
3 lesser rental housing units provided:

4 (A) A cash supplement of not less than twelve hundred
5 dollars (\$1,200) per year that the teacher is required to live in the
6 temporary rental housing and not more than the difference between the fair
7 rental value of the rental housing unit that is required under this section
8 and the temporary rental housing unit that is provided; or

9 (B) An additional interest-free, forgivable loan for the
10 purchase of a home under § 6-26-302 for not more than two thousand five
11 hundred dollars (\$2,500) to be forgiven after the fulfillment of one (1) year
12 of service from the date that the loan is disbursed.

13
14 6-26-304. Development of the pilot rental housing program.

15 (a) The Arkansas Teacher Housing Development Foundation or its
16 designee shall receive proposals from developers for the construction of the
17 rental housing units.

18 (b)(1) The Director of the Arkansas Teacher Housing Development
19 Foundation shall recommend to the Arkansas Teacher Housing Development
20 Foundation Board of Trustees which developer shall construct the rental
21 housing units in each congressional district.

22 (2) The board shall either approve or reject the director's
23 recommendations for the developer of the rental housing units.

24 (3) If the board rejects any of the director's recommendations,
25 then the director shall recommend another developer that submitted a
26 proposal.

27 (4) This process shall continue until a developer is approved by
28 the board for each of the four (4) congressional districts.

29 (c) A preference shall be given to proposals submitted by developers
30 located in the congressional district of the high-priority school district,
31 but this preference shall not be the single determining factor.

32 (d) The Arkansas Teacher Housing Development Foundation or its
33 designee shall provide low-interest loans to the selected developers in the
34 amount necessary to construct rental housing units to meet the housing needs
35 for the expected number of high-priority teachers attracted to the area that
36 will choose rental housing units.

1 (e)(1) Upon completion of the construction of the rental housing
2 units, the developer shall operate the rental housing units until the loan is
3 repaid.

4 (2) The developer and the foundation shall agree on the amount
5 necessary to compensate the developer for the fair rental value of the rental
6 housing units, considering the amount of rent the teacher is paying.

7
8 6-26-305. Teacher Housing Fund.

9 (a) All monies received by the Arkansas Teacher Housing Development
10 Foundation shall be deposited into one (1) or more accounts at a financial
11 institution located in the State of Arkansas and shall be known as the
12 “Teacher Housing Fund”.

13 (b) The fund shall be treated as a cash fund under § 19-4-801 et seq.

14 (c) The monies in the fund are declared to be revenues of the state
15 and shall be expended only by the Arkansas Teacher Housing Development
16 Foundation and only for the purposes stated in the Arkansas Teacher Housing
17 Development Act, § 6-26-101 et seq.

18 (d) The Arkansas Teacher Housing Development Foundation shall
19 promulgate all rules necessary for implementing the program under this
20 chapter and administering the fund.

21
22 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
23 General Assembly of the State of Arkansas that the Arkansas Supreme Court has
24 ruled that the current system of education in Arkansas is inadequate and
25 inequitable and has instructed the General Assembly to define what is
26 necessary to provide an adequate and equitable education for the children of
27 Arkansas which shall include as a basic component additional support for
28 teacher recruitment in what has historically been called “low-performing
29 school districts”; that the term “low-performing school districts” is very
30 negative and the terminology must be immediately changed to “high-priority
31 school districts” to focus on the state’s priority to give these school
32 districts, their students, and their teachers more assistance with education;
33 that high-priority school districts need housing incentives to attract high-
34 performing teachers; that this act is necessary to attract high-performing
35 teachers to high-priority school districts to effectuate the Arkansas Supreme
36 Court’s order that requires the state to provide an equal opportunity for an

1 adequate education to every public school child. Therefore, an emergency is
2 declared to exist and this act being immediately necessary for the
3 preservation of the public peace, health, and safety shall become effective
4 on:

5 (1) The date of its approval by the Governor;

6 (2) If the bill is neither approved nor vetoed by the Governor,
7 the expiration of the period of time during which the Governor may veto the
8 bill; or

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

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/s/ Chesterfield