

Act 24 of the 1989 Regular Session.

Act 24

HB1031

By: Representative Thicksten
Representatives Mahony, McGinnis

"AN ACT TO AMEND SUBSECTION (1) OF ARKANSAS CODE 6-20-302 TO PROVIDE FOR THE ALLOCATION OF MINIMUM FOUNDATION PROGRAM AID TO GROWING SCHOOL DISTRICTS BASED ON CURRENT YEAR AVERAGE DAILY MEMBERSHIP; TO AMEND SUBSECTIONS (a) AND (b) OF ARKANSAS CODE 6-20-306 TO INCREASE THE CHARGE LEVIED AGAINST SCHOOL DISTRICTS' CHARGED ASSESSED VALUATION AND TO RETAIN THE PENALTY FOR DISTRICTS NOT VOTING A SPECIFIED CHARGED LEVY; TO AMEND ARKANSAS CODE 6-20-302(2) (A) AND ARKANSAS CODE 6-20-313 TO PROVIDE FUNDING FOR THE EDUCATIONAL COSTS OF BOTH HANDICAPPED AND NON-HANDICAPPED STUDENTS IN RESIDENTIAL PLACEMENT FACILITIES; TO AMEND SUBCHAPTER 3 OF CHAPTER 20 OF TITLE 6 OF THE ARKANSAS CODE BY ADDING A NEW SECTION TO PROVIDE COMPENSATORY EDUCATION PROGRAMS IN THE PUBLIC SCHOOLS OF ARKANSAS FOR ELIGIBLE STUDENTS; AND FOR OTHER PURPOSES."

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

SECTION 1. Subsection (1) of Arkansas Code 6-20-302 is hereby amended to read as follows:

"(1) 'Average daily membership (ADM)' means the total number of days attended plus the total number of days absent by students in grades kindergarten through twelve during the first three (3) quarters of each school year, divided by the number of school days actually taught in the district during that period of time. Provided that, for aid purposes beginning in 1989-90, the ADM of growing school districts, districts whose ADM as defined above for the previous year exceeds by one student or more its ADM for the second previous year, shall be increased annually by one-sixth (1/6) of the total percent of their increase for each \$27,000,000 or major fraction thereof, of increase in Minimum Foundation Program Aid for the year. This schedule of proportionate increases shall continue until the total recorded growth becomes a part of the computation for Minimum Foundation Aid for growing school districts. Aid computed using increased ADM as herein provided shall be corrected at the end of the first three (3) quarters of the year in which the aid is distributed to reflect the actual growth of the affected district or any other school district indicating growth that year. Such corrections shall be determined by recalculating individually the aid due each affected district and shall be made before the end of the year in which the aid is distributed. No such correction, however, shall result in any school district's ADM for aid purposes in any year being less than that shown for the districts in the first three (3) quarters of the previous year.

(A) As applies to this subchapter, students who may be counted for average daily membership are:

(i) Students who reside within the boundaries of the school district and are enrolled either within a public school operated by the district or in a public school operated by another district or a private school for special education students, with such attendance in both instances resulting from a written tuition agreement approved by the Department of Education; and

(ii) Legally transferred students living outside the district but attending a public school in the district.

(B) For purposes of this subchapter, kindergarten students enrolled in one-half (1/2) day programs shall be counted as one-half (1/2) time students;"

SECTION 2. Subsection (a) of Arkansas Code 6-20-306 is hereby amended to read as follows:

"(a) (1) A charge shall be levied against each district's charged assessed valuation by property class as indicated below:

Real Property	Personal Property	Utility_and Regulated_Carriers
19 Mills	45 Mills	45 Mills

(2) Beginning in 1989-90 the charge levels as provided by this act shall be increased by one (1) mill against each property class, except personal property, utilities and regulated carriers, for each \$25,000,000 or major fraction thereof increase in funding by the State for Minimum Foundation Program Aid. The charge levels shall not be increased by more than six (6) mills, resulting in a maximum to be charged under the provisions of this Act of twenty-five (25) mills on real property and fifty-one (51) mills on personal property and utilities and regulated carriers. The amount of Minimum Foundation Program Aid available for determining the increase in the charge shall be based on the appropriation and the funding in effect as of July 1 of the year in which the funds are to be distributed.

(3) Beginning in 1990-91 the charge levels as provided by this act shall be increased by one (1) mill against each property class, except personal property, utilities and regulated carriers, for each \$25,000,000 or major fraction thereof increase in funding by the State for Minimum Foundation Program Aid. The charge levels shall not be increased in any year if such an increase would cause the total charge on real property to be more than average millage voted by the school districts of the state in the previous annual school election.

"(4) Beginning in the 1995-96 school year, the charge levels provided by this act shall be increased by one (1) mill against personal property, utilities and regulated carriers for each \$25,000,000, or major fraction thereof, increase in funding by the state for MFPA."

SECTION 3. Subsection (b) of Arkansas Code 6-20-306 is hereby amended to read as follows:

"(b) Any school district which in the second annual school election after an increase is made in the state's charged millage levy, votes a millage levy on its assessment that is more than three (3) mills below the state's charge levy on real property, shall lose all add-on weights for which it qualifies under Arkansas Code 6-20-302(2)(B), (C), and (D) except that the total minimum millage required to be voted under this provision to avoid such a loss shall not exceed twenty-two (22) mills. Add-on weights lost under this provision shall be restored in the school year following the annual school election in which the voters of the district approve a tax levy on its charged assessment which is within three (3) mills of the state's charged levy.

SECTION 4. Subsection (A) of subsection (2) of Arkansas Code 6-20-302 (2)(A) is hereby amended to read as follows:

"(A) Students evaluated as special education students in accordance with regulations promulgated by the Department of Education shall be given

add-on weights in the following amounts for each type of setting in which services are required:

Itinerant	.40
Resource Room	.85
Self-contained (Ratio of 1-15)	.70
Self-contained (Ratio of 1-10)	1.10
Self-contained (Ratio of 1-6)	2.00
Special School, Day	2.35"

SECTION 5. Arkansas Code 6-20-313 is hereby amended to read as follows:

"6-20-313. Other set-aside funds. Other set-aside funds shall be as follows:

- (1) Funds required for the Department of Correction school district;
- (2) Two hundred fifty thousand dollars (\$250,000) annually for contingency aid to school districts undergoing hardships or emergencies identified by criteria approved by the State Board of Education and with an amount not to exceed fifteen thousand dollars (\$15,000) being awarded to any one (1) school district;
- (3) One hundred seventy-five thousand dollars (\$175,000) for those districts identified as isolated by criteria approved by the State Board of Education, provided that any school district receiving such aid shall have voted at the previous school election a millage levy equal to at least the state millage charge on real property, as set forth in Arkansas Code 6-20-306(a);
- (4) Funds sufficient to pay the school employee liability insurance required by Arkansas Code 6-17-1113 and funds necessary to pay the amounts required by Arkansas Code 6-20-302(13), 6-20-306(d), and 6-20-309;
- (5) Funds shall also be set-aside to pay for the educational costs of non-handicapped children who have been placed in approved residential treatment facilities as defined by the Arkansas Department of Education (ADE), Division of Special Education, up to an amount equal to the product of the regular ADM count plus an 'add-on' weight of 3.1 for residential placement, and the State Base Equalization Rate; and for the educational costs of non-handicapped children in school districts not qualifying for any Foundation Program Aid, who have been placed in approved residential treatment facilities as defined by ADE, Division of Special Education, up to an amount equal to the product of the regular ADM count plus an 'add-on' weight of 3.1 for residential placement, and the State Base Equalization Rate;
- (6) Funds shall also be set-aside to pay for the educational costs of handicapped children, including those in school districts not qualifying for any Foundation Program Aid, who have been placed in approved residential treatment facilities, as defined by the ADE, Division of Special Education, up to an amount equal to the product of the regular ADM count plus an 'add-on' weight of 3.1, and the State Base Equalization Rate, regardless of the setting in which the education is provided. An add-on weight of 3.1 is to be used if the student must receive his/her educational program in a Special Residential School. An add-on weight of 2.35 is to be used if the student must receive his education in a special day school and the State Base Equalization Rate. Educational costs funded under this subsection are specifically covered by Arkansas Code 6-20-316(b)."

SECTION 6. Subchapter 3 of Chapter 20 of Title 6 of the Arkansas Code is hereby amended by adding a new section to read as follows:

"6-20-320. (A) Any district having one or more students who are eligible for participation in a program of compensatory education may apply for program operation funds by submitting an application for such funds to

the Department of Education in accordance with rules and regulations to be established by the State Board of Education pursuant to this subchapter.

(B) The application shall include a description of the compensatory education program or programs proposed to be operated by the district and a detailed budget for the proposed program.

(C) A school district whose application for program funding is approved shall receive funding in an amount equal to \$325.00 per eligible student for school year 1989-90 and school year 1990-91. Provided, however, the total funding allocated and disbursed by the Department of Education for funding of compensatory education programs shall not exceed \$7,000,000 in school year 1989-90 and \$8,000,000 in school year 1990-91. For each subsequent school year, the maximum allocation per eligible student in a program approved for funding shall not exceed an amount to be calculated by dividing the Public School Fund appropriation for compensatory education for such year by the total number of students eligible for compensatory education services. The funding for compensatory education shall be no greater than \$1,000,000 for every \$8,000,000 increase in Minimum Foundation Program Aid or major fraction thereof, up to a maximum of \$7,000,000 for compensatory education in 1989-90 and \$8,000,000 for each succeeding year. In no school year shall the total amount allocated by the Department of Education to school districts for compensatory education services exceed the line item appropriation for compensatory education.

(D) The Department of Education shall monitor compensatory education programs to insure that state funds allocated for compensatory education programs are expended solely for the support of those programs. Any school district which expends funds for compensatory education programs for any purpose other than those specified in the approved program application shall be subject to repayment of improper expenditures and to the loss of future funding pursuant to this subchapter.

(E) The State Board of Education shall promulgate rules and regulations to implement this section, including criteria for determining student eligibility for compensatory education services."

SECTION 7. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 8. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: February 7, 1989
