

By: Representative George

"AN ACT TO AMEND ARKANSAS CODE 6-20-309 TO PROVIDE AN INCENTIVE FOR THE VOLUNTARY CONSOLIDATION OR ANNEXATION OF SCHOOL DISTRICTS; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code Annotated 6-20-309 is hereby amended to read as follows:

"6-20-309. Allowances for consolidation or annexation of districts.

(a) If two (2) school districts consolidate, or if one district is annexed to another school district, an incentive allowance in the form of add-on weights shall be computed for the resulting district by taking the average daily membership (ADM) of the smaller of the two districts. The minimum number of allowable add-on weights shall be 100 and the maximum number of allowable add-on weights shall be 300.

(b) If three (3) school districts consolidate, or if two (2) school districts are annexed to a third school district in a three-district consolidation, an incentive allowance in the form of add-on weights shall be computed for the resulting district by taking the total average daily membership (ADM) of the two smaller districts. The minimum number of allowable add-on weights shall be 100 and the maximum number of allowable add-on weights shall be 400.

(c) If four (4) or more school districts consolidate, or if school districts are annexed to other school districts so that four (4) or more school districts are involved in consolidation, an incentive allowance in the form of add-on weights shall be computed by taking the total of average daily membership (ADM) of all except the largest district. The minimum number of allowable add-on weights shall be 100 and the maximum number of allowable add-on weights shall be 500.

(d) (1) One hundred percent (100%) of the incentive allowance computed as provided in this section shall be added to the new school district's aid the first year of consolidation. The aid of the new district for the first year will equal the total of what the districts would have received if the consolidation had not occurred plus 100% of the consolidation incentive allowance. The second year, the school district shall receive its normal state aid plus fifty percent (50%) of the consolidation incentive funds that it received the previous year. There shall be no consolidation incentive allowance beginning with the third year of consolidation.

(2) No consolidation incentive allowance shall be made for any consolidation or annexation occurring after July 1, 1991.

(e) (1) The incentive allowance when parts of a district are annexed to several school districts will be computed as in this section above. The distribution of incentive shall be prorated on the basis of the percent of the average daily membership (ADM) of the smaller district's attendance areas being consolidated to the larger districts.

(2) Any school district which chooses to retain its elementary school but annex or consolidate its high school with another district shall be entitled to the full incentives provided for by this subchapter, or the average daily membership (ADM) of the high school being annexed except that

the minimum number of allowable add-on weights of 100 shall not apply.

(3) No incentive allowance funds granted under this measure shall be considered as net current revenue as defined in Arkansas Code Annotated 6-20-307(c)(2).

(f) Financial incentives authorized under this section shall be payable only to districts which voluntarily consolidate or voluntarily participate in an annexation procedure. No allowance will be paid on behalf of any district which is ordered consolidated, dissolved, annexed or merged pursuant to the provisions of Arkansas Code Annotated 6-15-201 through 6-15-212 or any other provision of state law which authorizes the State Board of Education or the Department of Education to order the annexation, consolidation, dissolution or merger of a school district."

SECTION 2 . 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 3. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 4. Emergency. It has been found and determined by the General Assembly that this Act will provide additional dollars to school districts which seek to merge or consolidate; that until this Act becomes effective, the additional dollars will not be available; and that this Act should go into effect immediately in order to provide merger and consolidation incentives as soon as possible. Therefore, an emergency is hereby declared to exist and this Act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: February 8, 1989

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