

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representative Thicksten**

A Bill

HOUSE BILL 1288

For An Act To Be Entitled

8 "AN ACT TO AMEND VARIOUS SECTIONS OF TITLE 6, CHAPTER 20,
9 SUBCHAPTERS 2 AND 3 OF THE ARKANSAS CODE OF 1987, AS
10 AMENDED (MINIMUM FOUNDATION PROGRAM AID LAW FOR PUBLIC
11 SCHOOLS), TO RESTRICT THE USE OF UNSAFE SCHOOL BUSES; TO
12 REAUTHORIZE FUNDING FOR GIFTED AND TALENTED PROGRAMS; TO
13 CLARIFY CALCULATION OF THE MISCELLANEOUS FUND CHARGE FOR
14 THE CURRENT YEAR; TO EXPAND THE DEFINITION OF 'NET CURRENT
15 REVENUES'; TO EXTEND CONSOLIDATION/ANNEXATION INCENTIVE
16 FUNDING; TO INCREASE THE SECOND-TIER SET ASIDE AS TO SOME
17 FUNDS; TO CLARIFY THE COMPENSATORY EDUCATION FUNDING
18 SCHEME FOR PUBLIC SCHOOLS; AND FOR OTHER PURPOSES."

19

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

21

22 SECTION 1. Arkansas Code §6-20-219 is hereby amended to read as
23 follows:

24 "6-20-219. State Transportation Aid funds.

25 (a) The State Board of Education is authorized to formulate regulations
26 for the administration of State Transportation Aid funds for the public
27 schools of Arkansas.

28 (b) Such regulations shall provide for a minimum of seventy dollars
29 (\$70.00) and a maximum of not more than two hundred eighty dollars (\$280) of
30 annual aid per average child transported under the pupil aid section of the
31 transportation aid formula which shall be paid to each school district
32 operating a transportation program, provided, that in the event the State
33 Transportation Aid funds during any fiscal year are inadequate to pay each
34 school district the full amount of transportation aid according to the
35 regulations of the State Board of Education, the board shall make a percentage

1 reduction in the aid payable to the school district.

2 (c) Computation of annual aid per average child transported shall
3 include students in grades kindergarten through twelve (12).

4 (d) (1) Any school district which owns or operates any school bus
5 manufactured prior to April 1, 1977, shall cease operating such bus as a
6 regular route bus prior to the beginning of the 1993-94 school year and shall
7 cease to operate such bus for any purpose prior to the beginning of the 1995-
8 1996 school year. For purposes of this section 'regular route bus' means a bus
9 that is regularly scheduled to transport students to and from school.

10 (2) The State Board of Education shall withhold all
11 transportation aid due a district found in violation of this section until
12 such time as non-complying school buses are replaced."

13

14 SECTION 2. Arkansas Code §6-20-302(2) (E) is hereby amended to read as
15 follows:

16 "(E) School districts which operate, either individually or as a part
17 of a cooperative of districts, an approved educational program for gifted and
18 talented students shall receive funds for the operation of the program based
19 on an add-on weight of twenty-five hundredths (.25) for each of its students
20 identified as being gifted or talented under guidelines and criteria approved
21 by the State Board of Education, up to a number equal to five percent (5%) of
22 its ADM for the previous year."

23

24 SECTION 3. Arkansas Code §6-20-302(13) is hereby amended to read as
25 follows:

26 "(13) (A) 'Miscellaneous funds charge' means the charge of seventy-five
27 percent (75%) of the funds received by the district during the current year
28 which are classified as miscellaneous. Such funds shall include those
29 received from federal forest reserves, federal grazing rights, federal mineral
30 rights, federal flood control, wildlife refuge funds, funds received by the
31 district in lieu of taxes, and severance taxes.

32 (B) When Arkansas meets the federal definition of equity, school
33 assistance in federally affected areas shall also be included in the
34 miscellaneous funds category.

35 (i) In making initial state aid allocations, each district

1 shall be charged seventy-five percent (75%) of the lesser of the amount of
2 miscellaneous funds it received the previous year or the amount which equals
3 the average of the previous four (4) years excluding the highest year and the
4 lowest year.

5 (ii) Upon determination of total miscellaneous funds for
6 the current year, the State Department of Education shall immediately
7 determine whether any school districts have experienced an increase or a
8 decrease in Minimum Foundation Program Aid as a result of the miscellaneous
9 funds charge being computed as set forth in (i). Adjustments for increases
10 and decreases shall be made in the distribution of Minimum Foundation Program
11 Aid for those districts. The State Department of Education shall withhold
12 sufficient funds to make those adjustments;"

13

14 SECTION 4. Arkansas Code §6-20-306(b) is hereby amended to read as
15 follows:

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

26

27 SECTION 5. Arkansas Code §6-20-307(c) is hereby amended to read as
28 follows:

29 "(c) For each school year, each district in the state shall pay its
30 qualifying certified personnel an amount at least equal to seventy percent
31 (70%) of its net current revenue.

32 (1) Gross current revenue shall consist of the following items:

33 (A) All property taxes actually collected including the
34 forty percent (40%) pullback, delinquent taxes, excess commissions, and land
35 redemption;

1 (B) Revenue from any local government or in lieu of tax
 2 donations;
 3 (C) Tuition from all sources;
 4 (D) County apportionment, severance taxes;
 5 (E) Sixteenth (16th) section rents;
 6 (F) All unrestricted state aid; and
 7 (G) All unrestricted federal revenue including Public Law
 8 81-874 categories A and B, forest reserve, wildlife refuge, flood control,
 9 mineral leases, federal grazing, and any other revenue that may be considered
 10 as in lieu of tax payments.

11 (2) *Net current revenue shall be the gross current revenue as*
 12 *defined in subsection (c)(1) of this section less the following amounts:*

- 13 (A) *state transportation aid;*
- 14 (B) *set aside for textbook program aid;*
- 15 (C) *the amount required to meet principal and interest on*
 16 *the state revolving loan program;*
- 17 (D) *the amount required to meet principal and interest on*
 18 *commercial bonds; and*
- 19 (E) *for school years 1991-1992 through school year 1998-*
 20 *1999, the amounts required to meet the principal and interest payments on*
 21 *lease purchase agreements, installment contracts or post-dated warrants which*
 22 *are entered into, executed, or issued for the purchase of school buses on or*
 23 *after July 1, 1991 to replace school buses constructed prior to April 1, 1977,*
 24 *may be deleted from gross current revenue as defined in subsection (c)(1) of*
 25 *this section to determine net current revenue if during the preceding school*
 26 *year the district expended all Transportation Aid Funds for the operation of*
 27 *the district's pupil transportation program, the purchase of school buses and*
 28 *for no other purpose and if the interest rate on the installment contract or*
 29 *lease purchase agreement is less than the interest on loans from the Revolving*
 30 *Loan Fund.*

31
 32 SECTION 6. Arkansas Code §6-20-309(d) is hereby amended to read as
 33 follows:

34 "(d) One hundred percent (100%) of the incentive allowance computed as
 35 provided in this section shall be added to the new school district's aid the

1 first year of consolidation. The aid of the new district for the first year
2 will equal the total of what the districts would have received if the
3 consolidation had not occurred plus one hundred percent (100%) of the
4 consolidation incentive allowance. The second year, the school district shall
5 receive its normal state aid plus fifty percent (50%) of the consolidation
6 incentive funds that it received the previous year. There shall be no
7 consolidation incentive allowance beginning with the third year of
8 consolidation."

9

10 SECTION 7. Arkansas Code §6-20-314(a) is hereby amended to read as
11 follows:

12 "(a) Notwithstanding other provisions of this subchapter, an amount not
13 to exceed three percent (3%) of any increased funds available any year over
14 the preceding year for state aid allocation shall be set aside from the total
15 funds available for distribution under the provisions of this subchapter for
16 funding a second tier of equalization."

17

18 SECTION 8. Arkansas Code §6-20-314(e) is hereby amended to read as
19 follows:

20 "(e) Monies provided by the Educational Excellence Trust Fund shall
21 remain at a one percent (1%) set-aside level during the 1991-92 fiscal year."

22

23 SECTION 9. Arkansas Code §6-20-319(4) (A) is hereby amended to read as
24 follows:

25 "(A) Each district in the state shall pay its certified personnel an
26 amount equal to at least seventy percent (70%) of its net current revenue.
27 Not less than eighty percent (80%) of seventy percent (70%) of each school
28 district's increase in net current revenue over the net current revenue
29 received the previous school year less the total salary expenditure required
30 to fund additional certified personnel added to the staff of the district in
31 the school year shall be divided equally among the certified personnel
32 positions existing in the district in that year unless the board of directors
33 of the district and a majority of the teachers agree to a different
34 distribution. *The eighty percent (80%) of the seventy percent (70%) may be*
35 *used to satisfy pay increases for experience and additional hours or degrees*

1 under the district's salary schedule if (1) the school board adopts the
2 changes in the salary schedule for the next school year either ten (10) days
3 before the last day of pupil attendance or before contracts are issued to
4 teachers whichever occurs first in accordance with A.C.A. §§6-17-201, et seq.
5 and distributes the eighty percent (80%) of the seventy percent (70%) equally
6 among all certified personnel positions, or (2) the board and a majority of
7 the teachers agree to an unequal distribution."

8

9 SECTION 10. Arkansas Code §6-20-319(4)(B) is hereby amended to read as
10 follows:

11 "(B) The district shall file with the State Board of Education annually
12 a salary schedule for its certified employees which recognizes a minimum level
13 of training and experience. This schedule shall reflect the actual pay
14 practices of the district, including all fringe benefits. Salary increments
15 for experience or education, or both, shall be identified on the schedule."

16

17 SECTION 11. Arkansas Code §6-20-320(c) is hereby amended to read as
18 follows:

19 "(c) The maximum allocation per eligible student in a program approved
20 for funding shall not exceed an amount to be calculated by dividing the
21 allotment for compensatory education by the total number of eligible students.
22 The funding for compensatory education shall be one million dollars
23 (\$1,000,000) for every eight million dollar (\$8,000,000) or major fraction
24 thereof, in funding for Minimum Foundation Program Aid from the base year of
25 1988-89. The maximum funding for compensatory education shall be seven
26 million dollars (\$7,000,000) for compensatory education in 1989-90 and eight
27 million dollars (\$8,000,000) for each succeeding year. The eight million
28 dollars (\$8,000,000) for each succeeding year shall be calculated in addition
29 to any carry over of undistributed compensatory education funds. Funds shall
30 be set aside for compensatory education services from the funded appropriation
31 made for Minimum Foundation Program Aid in the amounts prescribed by this
32 subsection. Funds set aside for compensatory education but not distributed by
33 the Department of Education may be carried forward by the Department of
34 Education. Compensatory education funds distributed to the districts may be
35 carried forward by the districts for one (1) year. Compensatory education

1 funds distributed to the district but unexpended at the end of the fiscal year
2 following the fiscal year in which the district received the funds shall be
3 returned to the Department of Education for deposit to the Public School Fund.
4 These returned funds shall lose their identity as compensatory education
5 funds."
6

7 SECTION 12. Arkansas Code §6-20-320 is hereby amended by adding a new
8 subsection to read as follows:

9 "(f) Monies provided by the Education Excellence Trust Fund during the
10 1991-92 fiscal year shall not be subject to the set aside for compensatory
11 education provided in this section."
12

13 SECTION 13. Any school district not qualifying for funds to be
14 disbursed from the Educational Excellence Trust Fund whose average certified
15 salary is three thousand dollars (\$3,000) less than the state average in each
16 year of the 1991-93 biennium shall receive an amount per weighted average
17 daily membership, when combined with amounts required to be disbursed under
18 §§6-20-319, to insure funds sufficient to fund an average certified salary of
19 no more than three thousand dollars (\$3,000) less than the state average.
20

21 SECTION 14. Any changes made in Arkansas Code §6-20-319(4) under the
22 provisions of this act shall not be considered as any indication of what the
23 legislative intent was or was not under the law before the enactment of these
24 changes.
25

26 SECTION 15. Arkansas Code §6-20-402(d)(1) is hereby amended to read as
27 follows:

28 "(d)(1) Warrants drawn, lease purchase agreements or installment
29 contracts entered into for any of the purposes above must be paid within six
30 (6) years of the date of issuance of the postdated warrant or the execution
31 of the written lease purchase agreement or installment contract, as the case
32 may be, and postdated warrants must be registered, on forms provided by the
33 State Board of Education, with the treasurer of the district and the State
34 Board of Education."
35

