

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**
4 **By: Joint Budget Committee**

A Bill

ACT 1194 OF 1995
HOUSE BILL 1573

For An Act To Be Entitled

"AN ACT TO MAKE AN APPROPRIATION FOR GRANTS AND AIDS TO LOCAL SCHOOL DISTRICTS AND SPECIAL PROGRAMS BY THE DEPARTMENT OF EDUCATION FOR THE BIENNIAL PERIOD ENDING JUNE 30, 1997; AND FOR OTHER PURPOSES."

Subtitle

"AN ACT FOR THE DEPARTMENT OF EDUCATION - GRANTS AND AIDS APPROPRIATION FOR THE 1995-97 BIENNIUM."

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

SECTION 1. APPROPRIATIONS - GENERAL EDUCATION DIVISION. There is hereby appropriated, to the Department of Education - General Education Division, to be payable from the Public School Fund, for grants and aids to local school districts and special programs by the Department of Education - General Education Division for the biennial period ending June 30, 1997, the following:

<i>ITEM</i>	<i>FISCAL YEARS</i>	
<i>NO.</i>	<i>1995-96</i>	<i>1996-97</i>
<i>(01) TEACHER RETIREMENT</i>	<i>\$ 130,000,000</i>	<i>\$ 1,600,000</i>
<i>(02) TRANSPORTATION AID</i>	<i>50,000,000</i>	<i>0</i>
<i>(03) MINIMUM FOUNDATION AID</i>	<i>1,029,047,124</i>	<i>0</i>
<i>(04) ORPHAN'S AID</i>	<i>91,590</i>	<i>0</i>
<i>(05) CRIPPLED CHILDREN</i>	<i>143,113</i>	<i>143,113</i>
<i>(06) PUBLIC SCHOOL EMPLOYEE INSURANCE</i>	<i>42,815,000</i>	<i>480,500</i>
<i>(07) SCHOOL FOOD SERVICE</i>	<i>1,650,000</i>	<i>1,650,000</i>
<i>(08) SCHOOL FOOD-LEGISLATIVE AUDIT COST</i>	<i>100,000</i>	<i>100,000</i>

1	(09)	ECONOMIC EDUCATION	200,000	200,000
2	(10)	SURPLUS COMMODITIES	175,000	175,000
3	(11)	GRANTS TO SCHOOL DISTRICTS	27,000	0
4	(12)	WORKER'S COMPENSATION	5,500,000	5,500,000
5	(13)	GIFTED & TALENTED	1,942,896	1,942,896
6	(14)	LIABILITY INSURANCE	275,000	2,000,000
7	(15)	AID TO ISOLATED DISTRICTS	175,000	0
8	(16)	RECOGNITION PROGRAM	75,000	0
9	(17)	READING PROGRAM	794,839	794,839
10	(18)	SPECIAL EDUCATION SERVICES	3,000,000	3,000,000
11	(19)	HUMAN DEVELOPMENT CTR EDUC AID	663,000	663,000
12	(20)	COOPERATIVE EDUC SERVICES AREAS	4,520,521	4,520,521
13	(21)	MODEL RURAL EARLY CHILDHOOD CONSORTIUM	500,000	500,000
14	(22)	COMPUTER-BASED EDUCATION-GRANTS	2,200,000	2,200,000
15	(23)	COMPUTER-BASED EDUC-OPERATIONS	500,000	500,000
16	(24)	EARLY CHILDHOOD SPECIAL EDUC	4,197,400	4,591,140
17	(25)	PAT PROG & TRNG CTR/PARENT		
18		INVOLVEMENT	300,000	300,000
19	(26)	PURCHASE OF WORKERS' COMPENSATION		
20		COVERAGE BY SCHOOL DISTRICTS AND		
21		EDUCATION SERVICE COOPERATIVES	6,600,000	6,600,000
22	(27)	COMMUNITY-BASED PILOT GRANTS	439,080	439,080
23	(28)	AT-RISK GRANTS & TRAINING	30,005,000	0
24	(29)	GROWTH FACILITIES FUNDING	4,100,000	5,000,000
25	(30)	GENERAL FACILITIES FUNDING	9,500,000	10,000,000
26	(31)	ISOLATED FUNDING	0	2,500,000
27	(32)	STUDENT GROWTH	0	29,000,000
28	(33)	ADDITIONAL BASE FUNDING	0	20,000,000
29	(34)	DEBT SERVICE FUNDING SUPPLEMENT	0	20,000,000
30	(35)	REASSESSMENT ADJUSTMENT	0	500,000
31	(36)	DEPARTMENT OF CORRECTION	0	1,740,000
32	(37)	RESIDENTIAL CENTERS	0	6,512,000
33	(38)	EARLY CHILDHOOD CURRICULUM		
34		SPECIALISTS	700,000	1,000,000
35	(39)	DISTRICT FISCAL CRISIS RELIEF	0	10,000,000

1	(40)	VOCATIONAL START-UP	0	2,370,000
2	(41)	CONSOLIDATION INCENTIVE	0	3,500,000
3	(42)	SURETY BOND	0	100,000
4	(43)	(A) STATE EQUALIZATION FUNDING \$ 0 \$ 490,000,000		
5		(B) STUDENT CLASSROOM		
6		TEACHER FUNDING	0	530,000,000
7		(C) STUDENT UNIT FUNDING	0	30,000,000
8		(D) STUDENT NEEDS FUNDING	<u>0</u>	<u>250,000,000</u>
9		TOTAL STATE EQUALIZATION FUNDING		
10		PER STUDENT	0	1,300,000,000
11	(44)	PYGMALION COMMISSION EXPENSES	25,000	25,000
12	(45)	COOPERATIVE EDUCATION TECHNOLOGY		
13		CENTERS OPERATIONS	750,000	750,000
14	(46)	SCHOOL HEALTH NURSE SERVICES	<u>0</u>	<u>5,800,000</u>
15		TOTAL AMOUNT APPROPRIATED	\$ 1,331,011,563	\$ 1,456,697,089

16

17 SECTION 2. APPROPRIATIONS - VOCATIONAL AND TECHNICAL EDUCATION DIVISION.

18 There is hereby appropriated, to the Department of Education, to be payable

19 from the Public School Fund, for grants and aids to local school districts and

20 special programs by the Department of Education - Vocational and Technical

21 Education Division for the biennial period ending June 30, 1997, the

22 following:

24	ITEM	FISCAL YEARS	
25	NO.	1995-96	1996-97
26	(01) ADULT BASIC & GENERAL ADULT EDUC	\$ 16,159,202	\$ 16,159,202
27	(02) VOCATIONAL CENTER AID	3,425,500	3,601,000
28	(03) CAPITAL EQUIPMENT	1,282,630	1,282,630
29	(04) COORD CAREER ED SERV/SPEC NEEDS		
30	STUDENTS	998,873	998,873
31	(05) ADULT EDUCATION CAPITAL IMPROVEMENT PROJECTS	<u>300,000</u>	<u>300,000</u>
32	TOTAL AMOUNT APPROPRIATED	<u>\$ 22,166,205</u>	<u>\$</u>
33	<u>22,341,705</u>		

34

35 SECTION 3. For the purposes of distributing the appropriation in Item

1 (11) of Section 1 of this Act, "school district" means a school district which
2 contracts with a school district in an adjoining state for the education of
3 some of the pupils within the Arkansas school district because the portion of
4 the school district wherein such pupils live is completely separated from the
5 remainder of the school district by a reservoir covering at least 12,000 acres
6 at normal water level, and where to attend school in their own district, the
7 pupils of said portion would be required to travel or to be transported a
8 distance (measured by the nearest highway or road route) of more than 35 miles
9 round trip and pass through another school district or districts. The
10 Department of Education shall distribute the monies appropriated by Item (11)
11 of Section 1 of this Act for the 1995-96 fiscal year to such school district
12 as reimbursement for expenses incurred in educating the pupils residing in the
13 separated portion of the school district. Such school district shall file a
14 request for reimbursement with the Department of Education and provide the
15 Department of Education with such documentation as is deemed necessary.

16

17 SECTION 4. FUNDING. Of the first monies distributed to the Public
18 School Fund for the fiscal year ending June 30, 1996, an amount equal to those
19 amounts set forth in Item (11) of Section 1 of this Act shall be set aside in
20 order to provide funding for the appropriation in Item (11) of Section 1 of
21 this Act.

22

23 SECTION 5. FUNDING PROVISION AND ADMINISTRATION. The appropriation
24 provided by the General Assembly for "Public School Employee Insurance", which
25 is payable from the Public School Fund, shall be administered by the School
26 Insurance Section of the Department of Education - General Education Division,
27 in accordance with the provisions of Arkansas Code § 6-17-1101--6-17-1112, 6-
28 17-1114, and Arkansas Code § 23-86-101--23-86-109, 23-86-112. In the event
29 that there are insufficient funds or appropriation available to disburse the
30 maximum contribution for insurance premiums provided for each eligible public
31 school employee as may be set out by law, or if the General Assembly fails to
32 set a contribution level, the State Board of Education may establish a State
33 contribution level for public school employee insurance premiums within the
34 amount of appropriation and funds available. Provided, however, for the
35 fiscal year 1987-88 and thereafter, monthly contributions per employee of the

1 Public School Employees Insurance Section shall not exceed that amount
2 authorized and expended in behalf of members of the State Employees Insurance
3 Section.

4

5 SECTION 6. The funds appropriated in the line item "Special Education
6 Services" in Section 1 of this Act shall be used to provide extended year
7 summer programs for handicapped students in need of such services, to provide
8 special education services to foster children who are wards of the State, and
9 to provide funds for the payment of salaries of special education supervisors.
10 The Department of Education shall distribute such funds in the manner
11 necessary to carry out the intent of this Section.

12

13 SECTION 7. The additional state financial aid for public elementary and
14 secondary education provided to the school districts of this State pursuant to
15 the provisions of Act 63 of the First Extraordinary Session of 1983 shall be
16 expended to improve the quality of education in the public school; therefore,
17 no state financial aid financed by funds collected under the provisions of Act
18 63 of the First Extraordinary Session of 1983 and appropriated by this Act and
19 distributed pursuant to the school aid formula shall be expended for the
20 support of extracurricular activities or athletic programs.

21

22 SECTION 8. The funds appropriated in Section 2 of this Act may also be
23 used to match any available federal funds from any agency in order to provide
24 the maximum amount of money possible for the purposes enumerated in such
25 section.

26

27 SECTION 9. RESTRICTIONS. The funds appropriated by Item (03) of
28 Section 2 herein, shall be administered by the Department of Education -
29 Vocational and Technical Education Division and shall be used to provide
30 additional assistance to local school districts to enhance and/or upgrade
31 equipment in existing job-specific programs. Pursuant to policies and
32 regulations which include applications, disbursement procedures, and matching
33 requirements of the Vocational and Technical Division, these funds can be used
34 to purchase capital equipment to enhance or technically upgrade existing
35 job-specific vocational programs. Such funds shall be distributed to local

1 school districts in such amounts, as determined by the Department of Education
2 - Vocational and Technical Education Division.

3

4 SECTION 10. Of the funds appropriated and made available for Computer-
5 Based Education Grants in Section 1 of this Act, an amount up to \$100,000 per
6 year may be used to contract with private providers for continuing an adult
7 literacy project.

8

9 SECTION 11. *Local School Districts may not include the cost of*
10 *substitute teachers, extended contracts for extra curricular activities or*
11 *supplementary pay for extra curricular activities in meeting the expenditures*
12 *requirement for student classroom teacher salaries.*

13

14 SECTION 12. *SET ASIDE FUNDING. For the 1995-96 fiscal year, an amount*
15 *of \$2,000,000 of the Public School Fund shall be set aside and used*
16 *exclusively to comply with Arkansas Code 6-17-1113 to provide liability*
17 *protection for school board members, school nurses, substitute teachers,*
18 *authorized volunteers, student teachers, teacher aides, and each person*
19 *required to be certified by the Arkansas Department of Education employed by a*
20 *public school district, School for the Blind, School for the Deaf, Education*
21 *Cooperative and County Board of Education, and for the Department of Education*
22 *to make state aid adjustments based upon miscellaneous funds collections. For*
23 *the 1996-97 fiscal year, the amount appropriated for Liability Insurance shall*
24 *be used for these purposes.*

25

26 SECTION 13. *Beginning with the 1996-97 school year, Local School*
27 *Districts shall pay the teacher retirement employer contribution rate for any*
28 *eligible employee in accordance with rules and regulations established by the*
29 *Teacher Retirement Board of Directors. Furthermore, beginning in the 1996-97*
30 *fiscal year, the appropriation contained herein for Teacher Retirement*
31 *Matching shall be used to provide the employer matching for employees of the*
32 *Cooperative Education Services Areas, Vocational Centers and the school*
33 *operated by the Department of Correction.*

34

35 SECTION 14. *Beginning with the 1996-97 school year, Local School*

1 Districts shall pay the health insurance contribution rate established by the
2 State Board of Education for each eligible employee electing to participate in
3 the Public School Employee Health Insurance Program. Furthermore, beginning
4 with the 1996-97 fiscal year, the appropriation contained herein for Public
5 School Employee Insurance shall be used to provide the state contribution for
6 insurance premiums for employees of the Cooperative Education Services Areas,
7 Vocational Centers and the school operated by the Department of Correction.

8

9 SECTION 15. The appropriations contained herein for Vocational Center
10 Aid and Vocational Center Start-Up shall be allocated in accordance with rules
11 and regulations established by the State Board of Vocational Education.

12

13 SECTION 16. Of the funds and appropriation authorized by Item (01) in
14 Section 2 of this Act for Adult Basic and General Adult Education, a sum of
15 \$1,050,000 each fiscal year shall be made available to the secondary area
16 vocational centers managed by local education agencies, in order to expand the
17 vocational education and training opportunities available to area citizens in
18 need of adult educational training or retraining due to changing technology.

19 The secondary area vocational centers which elect to provide enhanced
20 education/training employment or retraining services appropriate to area
21 industry/business needs, may request from the State Board of Vocational
22 Education to be designated as a Community Based Education Center.

23

24 SECTION 17. The appropriation allocated for At-Risk Programs shall
25 include compensatory education, alternative learning programs, ACT and summer
26 school remediation, programs for students with limited English proficiency,
27 and classroom management training for faculty. Of the funds and appropriation
28 provided for At-Risk Programs, the Department of Education shall spend up to,
29 but not exceed, the sum of \$1,000,000 each fiscal year to monitor and assess
30 or enter into a Professional/Consultant Services contract for the purpose of
31 monitoring and assessing, the various programs under the purview of the
32 Department of Education. Further, the Department of Education shall report the
33 findings of such monitoring and assessment to the Joint Interim Committee on
34 Education each fiscal year.

35

1 SECTION 18. *READING RECOVERY TEACHER LEADERS.* Of the total amount
2 appropriated for At-Risk Programs by this Act, the Department of Education
3 shall set aside sufficient funds to provide training for Reading Recovery
4 Teacher Leaders. Reading Recovery Teacher Leaders shall be placed at each of
5 the following Cooperative Education Service Areas: Great Rivers Cooperative,
6 Arkansas River Education Service Cooperative, Southeast Arkansas Education
7 Service Cooperative, Northeast Arkansas Educational Cooperative, Arch Ford
8 Education Service Cooperative, Wilbur D. Mills Education Service Cooperative,
9 and Southwest Arkansas Educational Cooperative. In addition, the Department
10 of Education shall select a school district site to provide training for
11 Reading Recovery Teacher Leaders for school districts not served by an
12 educational cooperative.

13

14 SECTION 19. (A) For the fiscal year ending June 30, 1996, the
15 Department of Education shall from time to time as needed, certify to the
16 State Treasurer and the Chief Fiscal Officer of the State, the amount of funds
17 disbursed for desegregation expenses under the "Pulaski County School
18 Desegregation Settlement Agreement." Upon the receipt of such certification,
19 the State Treasurer, after making those deductions as set out in Arkansas Code
20 19-5-202(b)(2)(B), shall also deduct up to, but not to exceed in total for
21 fiscal year 1995-96 the sum of \$30,000,000 from the net general revenues and
22 transfer this amount to the Public School Fund.

23 (B) For the fiscal year ending June 30, 1997, the Department of
24 Education shall from time to time as needed, certify to the State Treasurer
25 and the Chief Fiscal Officer of the State, the amount of funds disbursed for
26 desegregation expenses under the "Pulaski County School Desegregation
27 Settlement Agreement." Upon the receipt of such certification, the State
28 Treasurer, after making those deductions as set out in Arkansas Code 19-5-
29 202(b)(2)(B), shall also deduct up to, but not to exceed in total for fiscal
30 year 1996-97, the sum of \$21,400,000 from the net general revenues and
31 transfer this amount to the Public School Fund.

32

33 SECTION 20. *The appropriation contained herein for Consolidation*
34 *Incentive shall be allocated in accordance with rules and regulations*
35 *established by the State Board of Education.*

1

2 SECTION 21. The funds appropriated herein for Residential Centers shall
3 be allocated in accordance with rules and regulations established by the State
4 Board of Education.

5

6 SECTION 22. The funds appropriated herein for Reassessment Adjustment
7 shall be used by the Department of Education to make adjustments to state aid
8 for local school districts whose assessments have increased or decreased
9 throughout the fiscal year.

10

11 SECTION 23. Arkansas Code Annotated §6-20-319(4) (A) shall be amended to
12 read as follows:

13 "(4) (A) For the 1996-97 school year, not less than one hundred percent
14 (100%) of each school district's increase in the classroom teacher expenditure
15 requirement for salaries over the classroom teacher salary expenditures from
16 the previous year excluding pay for substitute teachers plus extended
17 contracts and supplementary pay for extra curricular activities less the total
18 salary expenditure required to fund additional classroom teaching
19 personnel added to the staff of the district in the school year shall be
20 divided equally among the classroom teacher positions existing in the district
21 in that year unless the board of directors of the district and a majority of
22 the teachers agree to a different distribution. The increase may be used to
23 satisfy pay increases for experience and additional hours or degrees under the
24 district's salary schedule if:

25 (i) The school board adopts the changes in the salary schedule for the
26 next school year either ten (10) days before the last day of pupil attendance
27 or before contracts are issued to teachers whichever occurs first in
28 accordance with §6-17-201 et seq., and distributes the entire increase equally
29 among all classroom teacher positions; or

30 (ii) The board and a majority of the teachers agree to an unequal
31 distribution."

32

33 SECTION 24. Arkansas Code Annotated §6-17-1001 shall be amended to add
34 a new subsection to read as follows:

35 "(q) Salaries distributed to meet the requirements of this section

1 shall not be subject to the equal distribution requirements of §6-20-
2 319(4) (A) ."

3

4 SECTION 25. The State Board of Education shall have the authority to
5 budget carryover balances in the Public School Fund. However, the State Board
6 shall first budget any carryover balances to fund allocations designated by
7 The Equitable School Finance System Act of 1995 to insure that the legislative
8 intent of that Act is fulfilled before additional revenues are budgeted from
9 carryover balances.

10

11 SECTION 26. Act 2 of the First Extraordinary Session of 1994 is hereby
12 repealed effective July 1, 1996.

13

14 SECTION 27. With approval by the Governor, the Department of Education
15 may request that up to \$10,000,000 be transferred from the Eightieth Session
16 Projects Account of the General Improvement Fund to the Public School Fund to
17 be used to implement the provisions of The Equitable School Finance System Act
18 of 1995, including Local School District financial relief if enactment creates
19 an unanticipated adverse impact or an unexpected fiscal crisis for any Local
20 School District and for such purposes as determined by the State Board of
21 Education. Up to 10% of the funds available may be used by the Department of
22 Education to providing fiscal training to districts.

23

24 SECTION 28. The appropriation authorized herein for Debt Service
25 Funding Supplement shall be used for school districts that voted debt service
26 burdens in September 1994. The funds appropriated for Public School
27 Facilities from the Eightieth Session Projects Account of the General
28 Improvement Fund shall be used for school districts voting debt service
29 burdens after September 1, 1995.

30

31 SECTION 29. The Director of the Department of Education, with the
32 approval of the Chief Fiscal Officer and after review by the Arkansas
33 Legislative Council, is hereby authorized to request necessary appropriation
34 transfers and any other budget related adjustments necessary to implement The
35 Equitable School Finance System Act of 1995.

1

2 SECTION 30. *Effective July 1, 1996, Arkansas Code Annotated §§ 6-5-303*
3 *through 306 are hereby repealed.*

4

5 SECTION 31. The appropriation and funds authorized herein for *PURCHASE*
6 *OF WORKERS' COMPENSATION COVERAGE BY SCHOOL DISTRICTS AND EDUCATION SERVICE*
7 *COOPERATIVES* shall be distributed proportionally by the Department of
8 Education to each of the various school districts based on each school
9 district's average daily membership (ADM) the previous year *and to each of the*
10 *state's education service cooperatives in an amount equal to 50% of the amount*
11 *each cooperative expended for that purpose the previous year. Such monies*
12 *shall not be considered as additional revenue for the purpose of salary*
13 *requirements as required by Arkansas Code 6-20-319(4) (A) .*

14

15 SECTION 32. *ADULT EDUCATION CAPITAL IMPROVEMENT PROJECTS. In the event*
16 *that there is an unexpended balance of monies remaining at the end of any*
17 *fiscal year from the amount approved by the State Board of Education for Adult*
18 *Education programs from the Public School Fund, such amount shall be set aside*
19 *and carried forward to be used exclusively for financing Adult Education*
20 *Capital Improvement Projects.*

21

22 SECTION 33. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
23 authorized by this Act shall be limited to the appropriation for such agency
24 and funds made available by law for the support of such appropriations; and
25 the restrictions of the State Purchasing Law, the General Accounting and
26 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
27 Procedures and Restrictions Act, or their successors, and other fiscal control
28 laws of this State, where applicable, and regulations promulgated by the
29 Department of Finance and Administration, as authorized by law, shall be
30 strictly complied with in disbursement of said funds.

31

32 SECTION 34. LEGISLATIVE INTENT. It is the intent of the General
33 Assembly that any funds disbursed under the authority of the appropriations
34 contained in this Act shall be in compliance with the stated reasons for which
35 this Act was adopted, as evidenced by the Agency Requests, Executive

1 Recommendations and Legislative Recommendations contained in the budget
2 manuals prepared by the Department of Finance and Administration, letters, or
3 summarized oral testimony in the official minutes of the Arkansas Legislative
4 Council or Joint Budget Committee which relate to its passage and adoption.

5

6 SECTION 35. CODE. All provisions of this Act of a general and
7 permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the
8 Arkansas Code Revision Commission shall incorporate the same in the Code.

9

10 SECTION 36. SEVERABILITY. If any provision of this Act or the
11 application thereof to any person or circumstance is held invalid, such
12 invalidity shall not affect other provisions or applications of the Act which
13 can be given effect without the invalid provision or application, and to this
14 end the provisions of this Act are declared to be severable.

15

16 SECTION 37. GENERAL REPEALER. All laws and parts of laws in conflict
17 with this Act are hereby repealed.

18

19 SECTION 38. EMERGENCY CLAUSE. It is hereby found and determined by the
20 Eightieth General Assembly, that the Constitution of the State of Arkansas
21 prohibits the appropriation of funds for more than a two (2) year period; that
22 the effectiveness of this Act on July 1, 1995 is essential to the operation of
23 the agency for which the appropriations in this Act are provided, and that in
24 the event of an extension of the Regular Session, the delay in the effective
25 date of this Act beyond July 1, 1995 could work irreparable harm upon the
26 proper administration and provision of essential governmental programs.
27 Therefore, an emergency is hereby declared to exist and this Act being
28 necessary for the immediate preservation of the public peace, health and
29 safety shall be in full force and effect from and after July 1, 1995.

30

/s/Rep. E. Thicksten

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APPROVED: 4-11-95

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