

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

SENATE BILL

196

By: Senators Chaffin and Walters

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE 6-20-302 TO PROVIDE THAT THE MISCELLANEOUS FUNDS CHARGE SHALL MEAN THE CHARGE OF SEVENTY-FIVE PERCENT (75%) OF THE MISCELLANEOUS FUNDS RECEIVED BY THE SCHOOL DISTRICT DURING THE CURRENT YEAR INSTEAD OF THE PREVIOUS YEAR; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code 6-20-302(13) is hereby amended to read as follows:

"(13) 'Miscellaneous funds charge' means the charge of seventy-five percent (75%) of the funds received by the district during the current year which are classified as miscellaneous. Such funds shall include those received from federal forest reserves, federal grazing rights, federal mineral rights, federal flood control, wildlife refuge funds, funds received by the district in lieu of taxes, and severance taxes. When Arkansas meets the federal definition of equity, school assistance in federally affected areas shall also be included in the miscellaneous funds category. In making state aid allocations, the Department of Education shall withhold sufficient funds to ensure that any or all districts that are charged with miscellaneous funds shall receive an amount equal as a minimum to ninety percent (90%) of the amount charged;"

SECTION 2. The Department of Education shall immediately determine whether any school districts have suffered a decrease in Minimum Foundation Aid as a result of the miscellaneous funds charge being computed on the previous year's receipts, and if so an adjustment shall be made in the distribution of Minimum Foundation Aid in order to restore to the school districts the amount of the loss.

SECTION 3. 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 4. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 5. Emergency. It is hereby found and determined by the General Assembly that the School Finance Act presently charges school districts with seventy-five percent (75%) of the miscellaneous funds received by the district during the previous year; that requiring the charge to be computed based on previous years' receipts is resulting in losses to schools; that this Act will require the miscellaneous funds charge to be computed on the current year's receipts of miscellaneous funds; that until this Act goes into effect school districts will continue to experience a short fall in State aid; and that this Act should therefore be given effect immediately in order to prevent the schools from the loss in State aid. 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.