

State of Arkansas

77th General Assembly

A Bill

HOUSE BILL

Third Extraordinary Session, 1989

CALL ITEM 26 1007

By: Representatives Thicksten and Mahony

For An Act To Be Entitled

"AN ACT TO AMEND THE MINIMUM FOUNDATION LAW TO MAKE THE LOCAL WEALTH CHARGE PROVISION APPLICABLE TO FRACTIONAL MILLAGE INCREASES; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code 6-20-306(a)(2)-(4), as amended by Act 24 of 1989, is hereby amended to read as follows:

"(2)(i) Beginning July 1, 1989 and ending October 31, 1989, 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.

(ii) Beginning November 1, 1989 and ending June 30, 1990, the charge levels as provided by this Act shall be increased by one-tenth (1/10) mill against each property class, except personal property, utilities and regulated carriers, for each \$2,500,000 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.

(3) Beginning July 1, 1990 and thereafter, the charge levels as provided by this Act shall be increased by one-tenth (1/10) mill against each property class, except personal property, utilities and regulated carriers, for each \$2,500,000 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.

(4) Beginning July 1, 1995 and thereafter, the charge levels provided by this Act shall be increased by one-tenth (1/10) mill against personal property, utilities and regulated carriers for each \$2,500,000 increase in funding by the State for MFPA. 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."

SECTION 2. Arkansas Code 6-20-320(C), as amended by Act 24 of 1989, is hereby amended to read as follows:

"(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 \$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. Funds shall be set aside for compensatory education services from the appropriation made for Minimum Foundation Program Aid in the amounts defined in this subsection."

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 local wealth charge provision of the minimum foundation law does not now provide for fractional millage increases; that there is no appropriation for compensatory education; that this Act will clarify the local wealth charge provision to specifically make allowances for fractional millage increases and provide funding for compensatory education; that fractional millage increases lessen the impact on school districts that do not gain as much in state aid when the local wealth charge is increased; and that school districts with high concentrations of disadvantaged students need additional funding. 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.