

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Representative Flanagan *and Choate*

A Bill

HOUSE BILL 1012

For An Act To Be Entitled

"AN ACT TO MAKE TECHNICAL CORRECTIONS TO ARKANSAS CODE
ANNOTATED §§ 6-20-307 AND 6-20-319 AND TO AUTHORIZE
SANCTIONS AGAINST A SCHOOL DISTRICT WHEN LEGISLATIVE AUDIT
REPORTS AN UNDERPAYMENT TO CERTIFIED PERSONNEL; AND FOR
OTHER PURPOSES."

Subtitle

"TO MAKE TECHNICAL CORRECTIONS TO THE
ARKANSAS CODE AND TO AUTHORIZE SANCTIONS
AGAINST SCHOOL DISTRICTS THAT UNDERPAY
CERTIFIED PERSONNEL."

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

SECTION 1. Arkansas Code Annotated § 6-20-307 is hereby amended to
read as follows:

"6-20-307. Amount to be paid certified personnel.

(a) As used in this subchapter, unless the context otherwise requires,
certified personnel means those teachers and administrators required to
have a state-issued certificate to hold their position and who are paid from
a combination of state and local funds.

(b) Amounts paid teachers and administrators with restricted federal
funds shall not be counted as satisfying the requirements of this section,
nor shall teachers and administrators normally paid with restricted federal
funds be considered as eligible for payments made under the requirements of
this section, except that if a portion of their time is not devoted to
federally funded programs and is paid for from state and local funds, such
amounts may be used in meeting the requirements of this section.

1 (c) For each school year, each district in the state shall pay its
2 qualifying certified personnel an amount at least equal to seventy percent
3 (70%) of its net current revenue.

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

5 (A) All property taxes actually collected, including the
6 forty percent (40%) pullback, delinquent taxes, excess commissions, and land
7 redemption;

8 (B) Revenue from any local government or in lieu of tax
9 donations;

10 (C) Tuition from all sources;

11 (D) County apportionment, severance taxes;

12 (E) Sixteenth (16th) section rents;

13 (F) All unrestricted state aid; and

14 (G) All unrestricted federal revenue, including Public Law
15 81-874 categories A and B, forest reserve, wildlife refuge, flood control,
16 mineral leases, federal grazing, and any other revenue that may be considered
17 as in lieu of tax payments.

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

20 (A) State transportation aid;

21 (B) Set-aside for textbook program aid;

22 (C) The amount required to meet principal and interest on
23 the state revolving loan program;

24 (D) The amount required to meet principal and interest on
25 commercial bonds;

26 (E) For school years 1991-92 through school year 1998-99,
27 the amounts required to meet the principal and interest payments on lease
28 purchase agreements, installment contracts, or postdated warrants which are
29 entered into, executed, or issued for the purchase of school buses on or
30 after July 1, 1991, to replace school buses constructed prior to April 1,
31 1977, may be deleted from gross current revenue as defined in subdivision
32 (c)(1) of this section to determine net current revenue if during the
33 preceding school year the district expended all transportation aid funds for
34 the operation of the district's pupil transportation program, the purchase of
35 school buses, and for no other purpose, and if the interest rate on the

1 installment contract or lease purchase agreement is less than the interest on
2 loans from the Revolving Loan Fund; and

3 (F) Twenty-five percent (25%) of federal forest reserve
4 revenues.

5 (d)(1) Not less than fifty-six percent (56%) of each school district_s
6 increase in net current revenue over the net current revenue received the
7 previous school year less the total salary expenditure required to fund
8 additional certified personnel added to the staff of the district in the
9 school year shall be divided equally among the certified personnel positions
10 existing in the district in that year unless the board of directors of the
11 district and a majority of the teachers agree to a different distribution.
12 The fifty-six percent (56%) may be used to satisfy pay increases for
13 experience and additional hours or degrees under the district_s salary
14 schedule if:

15 (A) The school board adopts the changes in the salary
16 schedule for the next school year either ten (10) days before the last day of
17 pupil attendance or before contracts are issued to teachers whichever occurs
18 first in accordance with § 6-17-201 et seq., and distributes the fifty-six
19 percent (56%) equally among all certified personnel positions; or

20 (B) The board and a majority of the teachers agree to an
21 unequal distribution.

22 (2) The Department of Education shall have the authority to
23 grant exemptions from all requirements in this subsection under guidelines
24 approved by the State Board of Education upon petition by a school district
25 demonstrating extenuating circumstances resulting from an extraordinary
26 one-time increase in net current revenue, such as the conversion of debt
27 service millage to maintenance and operation.

28 (3) Notwithstanding the provisions of § 6-20-303(c), upon a
29 report by the Division of Legislative Audit that a school district has
30 underpaid its teachers in violation of this subsection, the Department of
31 Education shall ensure that the district meets the underpayment from
32 subsequent distributions of state aid received by the district.

33 (e) If the requirements of this section shall cause any district to
34 have less than a full term of school, that district may apply to the State
35 Board of Education for relief under regulations and criteria to be determined

1 by the Department of Education in the administration of this subchapter. It
2 is the intent of this subchapter to ensure that a reasonable and proper
3 amount of a district's revenue is paid to its certified personnel.

4 (f) Expenditures included in the seventy percent (70%) requirement
5 shall include salaries paid to personnel as defined in paragraph (a) of this
6 section, social security matching for such payments, unemployment insurance
7 payments, workers' compensation, sick leave actually paid, amounts actually
8 paid substitute teachers, tuition paid to other school districts and service
9 providers for services requiring instruction, and other payments that are
10 recognized as fringe benefits to certified personnel.

11 (g) Any school district whose average salary for certified personnel
12 shall equal, as a minimum, one hundred percent (100%) of the average salary
13 of certified personnel for the previous year in the states adjoining Arkansas
14 plus the average percent of increase for certified personnel in such states
15 from the second previous year to the previous year shall be exempt from the
16 requirements of this section. Data for this comparison shall be obtained
17 from the state education agencies of the adjoining states."

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19 SECTION 2. Arkansas Code Annotated § 6-20-319 is hereby amended to
20 read as follows:

21 "6-20-319. Other requirements for state aid.

22 In order for a district to be entitled to state aid under the
23 provisions of this subchapter, each district shall satisfy the following
24 requirements:

25 (1) Expenditures for any fiscal year shall not exceed the legal
26 revenues for that year;

27 (2) The district shall maintain such records and make such reports
28 relative to attendance, receipts, and disbursements, and other reports, as
29 required by the Department of Education for the administration of this
30 subchapter;

31 (3) The district shall maintain proper financial records in accordance
32 with the state's school accounting manual and regulations promulgated by the
33 State Board of Education;

34 (4) The district shall file with the State Board of Education annually
35 a salary schedule for its certified employees which recognizes a minimum

1 level of training and experience. This schedule shall reflect the actual pay
2 practices of the district, including all fringe benefits. Salary increments
3 for experience or education, or both, shall be identified on the schedule;

4 (5) All pupil attendance records shall be kept in their original form
5 and are made public records. They shall be kept in ink, according to law and
6 regulations, and on forms either furnished or approved by the Department of
7 Education. Original attendance records shall be kept on file in the office
8 of the superintendent of schools after the school term is ended, for a period
9 of three (3) years, and these records shall be available for monitoring
10 purposes during any day of the school term by the teachers or other persons
11 designated to keep attendance."
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13 SECTION 3. All provisions of this act of a general and permanent
14 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
15 Code Revision Commission shall incorporate the same in the Code.
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17 SECTION 4. If any provision of this act or the application thereof to
18 any person or circumstance is held invalid, such invalidity shall not affect
19 other provisions or applications of the act which can be given effect without
20 the invalid provision or application, and to this end the provisions of this
21 act are declared to be severable.
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23 SECTION 5. All laws and parts of laws in conflict with this act are
24 hereby repealed.

25 */s/Rep. Flanagan, et al*
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