1	State of Arkansas				
2	80th General Assembly A B	ill			
3	Regular Session, 1995	HOUSE E	BILL 1573		
4	By: Joint Budget Committee				
5					
6					
7	For An Act To Be Entitled				
8	"AN ACT TO MAKE AN APPROPRIATION FOR GRANTS AND AIDS TO				
9	LOCAL SCHOOL DISTRICTS AND SPECIAL PROGRAMS BY THE				
10	DEPARTMENT OF EDUCATION FOR THE BIENNIAL PERIOD ENDING				
11	JUNE 30, 1997; AND FOR OTHER PURPOSES."				
12					
13	Subtitle				
14	"AN ACT FOR THE DEPARTMENT OF EDUCATION				
15	- GRANTS AND AIDS APPROPRIATION FOR THE				
16	1995-97 BIENNIUM."				
17					
18	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:				
19					
20	SECTION 1. APPROPRIATIONS - GENE	RAL EDUCATION DIVISION	. There is		
21	hereby appropriated, to the Department of Education - General Education				
22	Division, to be payable from the Public	School Fund, for gran	ts and aids to		
23	local school districts and special prog	rams by the Department	of Education -		
24	General Education Division for the biennial period ending June 30, 1997, the				
25	following:				
26					
27	ITEM	FI	SCAL YEARS		
28	NO.	1995-96	<u> 1996–97</u>		
29	(01) TEACHER RETIREMENT	\$ 130,000,000	\$ 1,600,000		
30	(02) TRANSPORTATION AID	50,000,000	0		
31	(03) MINIMUM FOUNDATION AID	1,029,047,124	0		
32	(04) ORPHAN'S AID	91,590	0		
33	(05) CRIPPLED CHILDREN	143,113	143,113		
34	(06) PUBLIC SCHOOL EMPLOYEE INSURANCE	42,815,000	480,500		
35	(07) SCHOOL FOOD SERVICE	1,650,000	1,650,000		

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

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-		2	10 000 000		
1	(39) DISTRICT FISCAL CRISIS RELIEF	0	10,000,000		
2	(40) VOCATIONAL START-UP	0	2,370,000		
3	(41) CONSOLIDATION INCENTIVE	0	3,500,000		
4	(42) SURETY BOND	0	100,000		
5	(43) (A) STATE EQUALIZATION FUNDING \$	0 \$ 490,000,000			
6	(B) STUDENT CLASSROOM				
7	TEACHER FUNDING	0 530,000,000			
8	(C) STUDENT UNIT FUNDING	0 30,000,000			
9	(D) STUDENT NEEDS FUNDING	0 250,000,000			
10	TOTAL STATE EQUALIZATION FUNDING				
11	PER STUDENT	0	1,300,000,000		
12	(44) PYGMALION COMMISSION EXPENSES	25,000	25,000		
13	(45) COOPERATIVE EDUCATION TECHNOLOGY				
14	CENTERS OPERATIONS	750,000	750,000		
15	(46) SCHOOL HEALTH NURSE SERVICES	0	5,800,000		
16	TOTAL AMOUNT APPROPRIATED	\$ 1,331,011,563			
17					
18	SECTION 2. APPROPRIATIONS - VOCAT	IONAL AND TECHNICAL ED	UCATION		
19	DIVISION. There is hereby appropriated, to the Department of Education, to				
20	be payable from the Public School Fund, for grants and aids to local school				
21	districts and special programs by the Department of Education - Vocational				
22	and Technical Education Division for the biennial period ending June 30,				
23	1997, the following:	-	0		
24					
25	ITEM	FI	SCAL YEARS		
26	NO.	1995-96	5 1996-97		
27	(01) ADULT BASIC & GENERAL ADULT EDUC	\$ 16,159,2	202 \$		
28	16,159,202				
29	(02) VOCATIONAL CENTER AID	3,425,5	500		
30	3,601,000				
31	(03) CAPITAL EQUIPMENT	1,282,6	530		
32	1,282,630				
	(04) COORD CAREER ED SERV/SPEC NEEDS				
34	STUDENTS	998,8	373		
	998,873 (05) ADULT EDUCATION CAPITAL IM				

 1
 300,000
 TOTAL AMOUNT APPROPRIATED
 \$ 22,166,205

 2
 \$ 22,341,705
 \$ 22,166,205

3

SECTION 3. For the purposes of distributing the appropriation in Item 4 (11) of Section 1 of this Act, "school district" means a school district 5 6 which contracts with a school district in an adjoining state for the 7 education of some of the pupils within the Arkansas school district because 8 the portion of the school district wherein such pupils live is completely 9 separated from the remainder of the school district by a reservoir covering 10 at least 12,000 acres at normal water level, and where to attend school in 11 their own district, the pupils of said portion would be required to travel or 12 to be transported a distance (measured by the nearest highway or road route) 13 of more than 35 miles round trip and pass through another school district or 14 districts. The Department of Education shall distribute the monies 15 appropriated by Item (11) of Section 1 of this Act for the 1995-96 fiscal 16 year to such school district as reimbursement for expenses incurred in 17 educating the pupils residing in the separated portion of the school Such school district shall file a request for reimbursement with 18 district. 19 the Department of Education and provide the Department of Education with such 20 documentation as is deemed necessary.

21

22 SECTION 4. FUNDING. Of the first monies distributed to the Public 23 School Fund for the fiscal year ending June 30, 1996, an amount equal to 24 those amounts set forth in Item (11) of Section 1 of this Act shall be set 25 aside in order to provide funding for the appropriation in Item (11) of 26 Section 1 of this Act.

27

SECTION 5. FUNDING PROVISION AND ADMINISTRATION. The appropriation provided by the General Assembly for "Public School Employee Insurance", which is payable from the Public School Fund, shall be administered by the School Insurance Section of the Department of Education - General Education Division, in accordance with the provisions of Arkansas Code § 6-17-1101--6-17-1112, 6-17-1114, and Arkansas Code § 23-86-101--23-86-109, 23-86-112. In the event that there are insufficient funds or appropriation available to disburse the maximum contribution for insurance premiums provided for each

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1 eligible public school employee as may be set out by law, or if the General
2 Assembly fails to set a contribution level, the State Board of Education may
3 establish a State contribution level for public school employee insurance
4 premiums within the amount of appropriation and funds available. Provided,
5 however, for the fiscal year 1987-88 and thereafter, monthly contributions
6 per employee of the Public School Employees Insurance Section shall not
7 exceed that amount authorized and expended in behalf of members of the State
8 Employees Insurance Section.

9

10 SECTION 6. The funds appropriated in the line item "Special Education 11 Services" in Section 1 of this Act shall be used to provide extended year 12 summer programs for handicapped students in need of such services, to provide 13 special education services to foster children who are wards of the State, and 14 to provide funds for the payment of salaries of special education 15 supervisors. The Department of Education shall distribute such funds in the 16 manner necessary to carry out the intent of this Section.

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

27

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

32

33 SECTION 9. RESTRICTIONS. The funds appropriated by Item (03) of 34 Section 2 herein, shall be administered by the Department of Education -35 Vocational and Technical Education Division and shall be used to provide

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additional assistance to local school districts to enhance and/or upgrade
equipment in existing job-specific programs. Pursuant to policies and
regulations which include applications, disbursement procedures, and matching
requirements of the Vocational and Technical Division, these funds can be
used to purchase capital equipment to enhance or technically upgrade existing
job-specific vocational programs. Such funds shall be distributed to local
school districts in such amounts, as determined by the Department of
Education - Vocational and Technical Education Division.

9

10 SECTION 10. Of the funds appropriated and made available for Computer-11 Based Education Grants in Section 1 of this Act, an amount up to \$100,000 per 12 year may be used to contract with private providers for continuing an adult 13 literacy project.

14

15 SECTION 11. Local School Districts may not include the cost of 16 substitute teachers, extended contracts for extra curricular activities or 17 supplementary pay for extra curricular activities in meeting the expenditures 18 requirement for student classroom teacher salaries. 19

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

32 SECTION 13. Beginning with the 1996-97 school year, Local School 33 Districts shall pay the teacher retirement employer contribution rate for any 34 eligible employee in accordance with rules and regulations established by the 35 Teacher Retirement Board of Directors. Furthermore, beginning in the 1996-97

fiscal year, the appropriation contained herein for Teacher Retirement
 Matching shall be used to provide the employer matching for employees of the
 Cooperative Education Services Areas, Vocational Centers and the school
 operated by the Department of Correction.

6 SECTION 14. Beginning with the 1996-97 school year, Local School 7 Districts shall pay the health insurance contribution rate established by the 8 State Board of Education for each eligible employee electing to participate 9 in the Public School Employee Health Insurance Program. Furthermore, 10 beginning with the 1996-97 fiscal year, the appropriation contained herein 11 for Public School Employee Insurance shall be used to provide the state 12 contribution for insurance premiums for employees of the Cooperative 13 Education Services Areas, Vocational Centers and the school operated by the 14 Department of Correction.

15

5

16 SECTION 15. The appropriations contained herein for Vocational Center 17 Aid and Vocational Center Start-Up shall be allocated in accordance with 18 rules and regulations established by the State Board of Vocational Education. 19

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

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

32 SECTION 17. The appropriation allocated for At-Risk Programs shall 33 include compensatory education, alternative learning programs, ACT and summer 34 school remediation, programs for students with limited English proficiency, 35 and classroom management training for faculty. Of the funds and

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appropriation provided for At-Risk Programs, the Department of Education
shall spend up to, but not exceed, the sum of \$1,000,000 each fiscal year to
monitor and assess or enter into a Professional/Consultant Services contract
for the purpose of monitoring and assessing, the various programs under the
purview of the Department of Education. Further, the Department of Education
shall report the findings of such monitoring and assessment to the Joint
Interim Committee on Education each fiscal year.

8

9 SECTION 18. READING RECOVERY TEACHER LEADERS. Of the total amount 10 appropriated for At-Risk Programs by this Act, the Department of Education 11 shall set aside sufficient funds to provide training for Reading Recovery 12 Teacher Leaders. Reading Recovery Teacher Leaders shall be placed at each of 13 the following Cooperative Education Service Areas: Great Rivers Cooperative, 14 Arkansas River Education Service Cooperative, Southeast Arkansas Education 15 Service Cooperative, Northeast Arkansas Educational Cooperative, Arch Ford 16 Education Service Cooperative, Wilbur D. Mills Education Service Cooperative, 17 and Southwest Arkansas Educational Cooperative. In addition, the Department 18 of Education shall select a school district site to provide training for 19 Reading Recovery Teacher Leaders for school districts not served by an 20 educational cooperative.

21

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

(B) For the fiscal year ending June 30, 1997, the Department of
Education shall from time to time as needed, certify to the State Treasurer
and the Chief Fiscal Officer of the State, the amount of funds disbursed for
desegregation expenses under the "Pulaski County School Desegregation
Settlement Agreement." Upon the receipt of such certification, the State

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1 Treasurer, after making those deductions as set out in Arkansas Code 19-5-
2 202(b)(2)(B), shall also deduct up to, but not to exceed in total for fiscal
3 year 1996-97, the sum of $21,400,000 from the net general revenues and
4 transfer this amount to the Public School Fund.
5
                      The appropriation contained herein for Consolidation
6
         SECTION 20.
   Incentive shall be allocated in accordance with rules and regulations
7
   established by the State Board of Education.
8
9
                      The funds appropriated herein for Residential Centers
10
         SECTION 21.
11 shall be allocated in accordance with rules and regulations established by
   the State Board of Education.
12
13
         SECTION 22. The funds appropriated herein for Reassessment Adjustment
14
15 shall be used by the Department of Education to make adjustments to state aid
16 for local school districts whose assessments have increased or decreased
17
   throughout the fiscal year.
18
         SECTION 23. Arkansas Code Annotated §6-20-319(4)(A) shall be amended
19
   to read as follows:
20
21
         "(4)(A) For the 1996-97 school year, not less than one hundred percent
22 (100%) of each school district's increase in the classroom teacher
23 expenditure requirement for salaries over the classroom teacher salary
24 expenditures from the previous year excluding pay for substitute teachers
25 plus extended contracts and supplementary pay for extra curricular activities
26 less the total salary expenditure required to fund additional classroom
27 teaching
28 personnel added to the staff of the district in the school year shall be
29 divided equally among the classroom teacher positions existing in the
30 district in that year unless the board of directors of the district and a
31 majority of the teachers agree to a different distribution.
                                                                The increase may
32 be used to satisfy pay increases for experience and additional hours or
33 degrees under the district's salary schedule if:
             The school board adopts the changes in the salary schedule for the
34
         (i)
35 next school year either ten (10) days before the last day of pupil attendance
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1 or before contracts are issued to teachers whichever occurs first in
2 accordance with §6-17-201 et seq., and distributes the entire increase
 3 equally among all classroom teacher positions; or
         (ii) The board and a majority of the teachers agree to an unequal
 4
   distribution."
 5
 6
         SECTION 24. Arkansas Code Annotated §6-17-1001 shall be amended to add
 7
   a new subsection to read as follows:
 8
         "(q) Salaries distributed to meet the requirements of this section
 9
   shall not be subject to the equal distribution requirements of §6-20-
10
11
   319(4)(A)."
12
         SECTION 25. The State Board of Education shall have the authority to
13
14 budget carryover balances in the Public School Fund. However, the State
15 Board shall first budget any carryover balances to fund allocations
16 designated by The Equitable School Finance System Act of 1995 to insure that
   the legislative intent of that Act is fulfilled before additional revenues
17
   are budgeted from carryover balances.
18
19
20
         SECTION 26. Act 2 of the First Extraordinary Session of 1994 is hereby
21 repealed effective July 1, 1996.
22
         SECTION 27. With approval by the Governor, the Department of Education
23
24 may request that up to $10,000,000 be transferred from the Eightieth Session
25 Projects Account of the General Improvement Fund to the Public School Fund to
26 be used to implement the provisions of The Equitable School Finance System
27 Act of 1995, including Local School District financial relief if enactment
28 creates an unanticipated adverse impact or an unexpected fiscal crisis for
29 any Local School District and for such purposes as determined by the State
30 Board of Education. Up to 10% of the funds available may be used by the
31 Department of Education to providing fiscal training to districts.
32
33
         SECTION 28.
                      The appropriation authorized herein for Debt Service
34 Funding Supplement shall be used for school districts that voted debt service
35 burdens in September 1994. The funds appropriated for Public School
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1 Facilities from the Eightieth Session Projects Account of the General
 2 Improvement Fund shall be used for school districts voting debt service
 3 burdens after September 1, 1995.
 4
         SECTION 29.
                      The Director of the Department of Education, with the
 5
 6 approval of the Chief Fiscal Officer and after review by the Arkansas
 7 Legislative Council, is hereby authorized to request necessary appropriation
 8 transfers and any other budget related adjustments necessary to implement The
   Equitable School Finance System Act of 1995.
 9
10
         SECTION 30. Effective July 1, 1996, Arkansas Code Annotated §§ 6-5-303
11
   through 306 are hereby repealed.
12
13
         SECTION 31.
                      The appropriation and funds authorized herein for PURCHASE
14
   OF WORKERS' COMPENSATION COVERAGE BY SCHOOL DISTRICTS AND EDUCATION SERVICE
15
16 COOPERATIVES shall be distributed proportionally by the Department of
17 Education to each of the various school districts based on each school
18 district's average daily membership (ADM) the previous year and to each of
19 the state's education service cooperatives in an amount equal to 50% of the
20 amount each cooperative expended for that purpose the previous year. Such
21 monies shall not be considered as additional revenue for the purpose of
22 salary requirements as required by Arkansas Code 6-20-319(4)(A).
23
         SECTION 32. ADULT EDUCATION CAPITAL IMPROVEMENT PROJECTS.
24
                                                                     In the
25 event that there is an unexpended balance of monies remaining at the end of
26 any fiscal year from the amount approved by the State Board of Education for
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Adult Education programs from the Public School Fund, such amount shall be
set aside and carried forward to be used exclusively for financing Adult
Education Capital Improvement Projects.

30

31 SECTION 33. COMPLIANCE WITH OTHER LAWS. Disbursement of funds 32 authorized by this Act shall be limited to the appropriation for such agency 33 and funds made available by law for the support of such appropriations; and 34 the restrictions of the State Purchasing Law, the General Accounting and 35 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary

Procedures and Restrictions Act, or their successors, and other fiscal
 control laws of this State, where applicable, and regulations promulgated by
 the Department of Finance and Administration, as authorized by law, shall be
 strictly complied with in disbursement of said funds.

6 SECTION 34. LEGISLATIVE INTENT. It is the intent of the General 7 Assembly that any funds disbursed under the authority of the appropriations 8 contained in this Act shall be in compliance with the stated reasons for 9 which this Act was adopted, as evidenced by the Agency Requests, Executive 10 Recommendations and Legislative Recommendations contained in the budget 11 manuals prepared by the Department of Finance and Administration, letters, or 12 summarized oral testimony in the official minutes of the Arkansas Legislative 13 Council or Joint Budget Committee which relate to its passage and adoption.

15 SECTION 35. CODE. All provisions of this Act of a general and 16 permanent nature are amendatory to the Arkansas Code of 1987 Annotated and 17 the Arkansas Code Revision Commission shall incorporate the same in the Code. 18

19 SECTION 36. SEVERABILITY. If any provision of this Act or the 20 application thereof to any person or circumstance is held invalid, such 21 invalidity shall not affect other provisions or applications of the Act which 22 can be given effect without the invalid provision or application, and to this 23 end the provisions of this Act are declared to be severable.

24

25 SECTION 37. GENERAL REPEALER. All laws and parts of laws in conflict 26 with this Act are hereby repealed.

27

SECTION 38. EMERGENCY CLAUSE. It is hereby found and determined by the Eightieth General Assembly, that the Constitution of the State of Arkansas prohibits the appropriation of funds for more than a two (2) year period; that the effectiveness of this Act on July 1, 1995 is essential to the operation of the agency for which the appropriations in this Act are provided, and that in the event of an extension of the Regular Session, the delay in the effective date of this Act beyond July 1, 1995 could work irreparable harm upon the proper administration and provision of essential

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1 governmental programs. Therefore, an emergency is hereby declared to exist 2 and this Act being necessary for the immediate preservation of the public 3 peace, health and safety shall be in full force and effect from and after 4 July 1, 1995. /s/Rep. E. Thicksten

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