

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Representative George

A Bill

HOUSE BILL 1580

For An Act To Be Entitled

"AN ACT AMENDING VARIOUS SECTIONS OF TITLE 6 OF THE
ARKANSAS CODE RELATIVE TO SCHOOL FINANCE TO PROVIDE TOTAL
STATE FUNDING FOR QUALIFYING LOCAL SCHOOL DISTRICTS; TO
DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

"AMENDING VARIOUS SECTIONS OF TITLE 6 OF
THE ARKANSAS CODE TO PROVIDE TOTAL STATE
FUNDING FOR QUALIFYING LOCAL SCHOOL
DISTRICTS."

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

SECTION 1. Arkansas Code Annotated § 6-20-302 is hereby amended to
read as follows:

"6-20-302. Definitions.

As used in this subchapter, unless the context otherwise requires:

(1) Average daily membership or ADM means the total number of days
attended plus the total number of days absent by students in grades
kindergarten through twelve (K-12) during the first three (3) quarters of
each school year, divided by the number of school days actually taught in the
district during that period of time.

(A) As applied to this subchapter, students who may be counted
for average daily membership are:

(i) Students who reside within the boundaries of the
school district and are enrolled either within a public school operated by
the district or in a public school operated by another district or a private
school for special education students, with such attendance in both instances

1 resulting from a written tuition agreement approved by the Department of
2 Education; and

3 (ii) Legally transferred students living outside the
4 district but attending a public school in the district.

5 (B) For purposes of this subchapter, kindergarten students
6 enrolled in half-day programs shall be counted as half-time students.

7 (2) Previous year means the school year immediately preceding the
8 school year in which funds authorized by this subchapter are allocated."

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10 SECTION 2. Arkansas Code Annotated § 6-20-305 is hereby amended to
11 read as follows:

12 "6-20-305. Funds included in formula.

13 Public school fund programs to be included in the aid allocation
14 formula provided by this subchapter are:

15 (1) Minimum Foundation Program Aid;

16 (2) Aid for Education of Children With Disabilities;

17 (3) Elementary and Secondary Textbook Funds; and

18 (4) Vocational Aid, excluding aid for Basic and General Adult
19 Education."

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21 SECTION 3. Arkansas Code Annotated § 6-20-306 is hereby amended to
22 read as follows:

23 "6-20-306. Computation of state aid for allocation to school districts.

24 (a) On and after July 1, 1995, in order for a district to be entitled
25 to state aid under the provisions of this subchapter, all proceeds from any
26 current or future millage levied by the district shall be used solely for
27 retiring existing debt service or for future capital outlay.

28 (b) Each district's Minimum Foundation Program Aid allocation shall be
29 an amount based on the district's average daily membership (ADM), of the
30 previous year. The base rate shall be computed by dividing the total amount
31 of funds to be distributed under the provisions of this subchapter by the
32 total Average Daily Membership (ADM) in the state. The base rate for each
33 district receiving miscellaneous funds shall be adjusted by dividing the
34 district's ADM into seventy-five percent (75%) of any miscellaneous funds
35 collected.

1 (c) A district experiencing growth may, at the end of the first
2 quarter of the school year, apply to the Department of Education and receive
3 an adjustment in aid under regulations issued by the State Board of
4 Education."

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6 SECTION 4. Arkansas Code Annotated § 6-20-307(c) is hereby amended to
7 read as follows:

8 "(c) For each school year, each district in the state shall pay its
9 qualifying certified personnel an amount no less than seventy percent (70%)
10 nor more than eighty percent (80%) of its net current revenue.

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

12

13 (A) Revenue from any local government or in lieu of tax
14 donations;

15 (B) Tuition from all sources;

16 (C) County apportionment, severance taxes;

17 (D) Sixteenth (16th) section rents;

18 (E) All unrestricted state aid; and

19 (F) All unrestricted federal revenue, including Public Law
20 81-874 categories A and B, forest reserve, wildlife refuge, flood control,
21 mineral leases, federal grazing, and any other revenue that may be considered
22 as in lieu of tax payments.

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

25 (A) Set-aside for transportation aid;

26 (B) The amount required to meet principal and interest on
27 the state revolving loan program;

28 (C) The amount required to meet principal and interest on
29 commercial bonds;

30 (D) For school years 1991-92 through school year 1998-99,
31 the amounts required to meet the principal and interest payments on lease
32 purchase agreements, installment contracts, or postdated warrants which are
33 entered into, executed, or issued for the purchase of school buses on or
34 after July 1, 1991, to replace school buses constructed prior to April 1,
35 1977, may be deleted from gross current revenue as defined in subdivision

1 (c)(1) of this section to determine net current revenue if during the
2 preceding school year the district expended all transportation aid funds for
3 the operation of the district's pupil transportation program, the purchase of
4 school buses, and for no other purpose, and if the interest rate on the
5 installment contract or lease purchase agreement is less than the interest on
6 loans from the Revolving Loan Fund; and

7 (E) Twenty-five percent (25%) of federal forest reserve
8 revenues.

9 (F) Tuition paid to special education service providers."
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11 SECTION 5. Arkansas Code Annotated § 6-20-313 is hereby amended to
12 read as follows:

13 "6-20-313. Other set-aside funds.

14 Other set-aside funds shall be as follows:

15 (1) Funds required for the Department of Correction School District;

16 (2) Two hundred fifty thousand dollars (\$250,000) annually for
17 contingency aid to school districts undergoing hardships or emergencies
18 identified by criteria approved by the State Board of Education and with an
19 amount not to exceed fifteen thousand dollars (\$15,000) being awarded to any
20 one (1) school district;

21 (3) An amount not to exceed two million five hundred thousand dollars
22 (\$2,500,000) annually for those districts identified as isolated by criteria
23 approved by the State Board of Education;

24 (4) Funds sufficient to pay the school employee liability insurance
25 required by § 6-17-1113 and funds necessary to pay the amount required by §
26 6-20-309; and

27 (5) Funds sufficient to pay transportation costs.

28 (6) Funds shall also be set aside to pay for:

29 (A) The educational costs of children without disabilities who
30 have been placed in approved residential treatment facilities, as defined by
31 the Department of Education, Special Education Section; and

32 (B) The educational costs of children without disabilities in
33 school districts not qualifying for any Minimum Foundation Program Aid who
34 have been placed in approved residential treatment facilities as defined by
35 the Department of Education, Special Education Section, including human

1 development centers operated by Developmental Disabilities Services when a
2 child's individualized education program calls for placement in a public
3 school."
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5 SECTION 6. Arkansas Code Annotated § 6-20-315 is hereby amended to
6 read as follows:

7 "6-20-315. Administration of funds - Vocational education.

8 (a) Funding for vocational education students is included in Minimum
9 Foundation Program Aid funding distributed to local school districts on an
10 ADM basis.

11 (b) The Vocational and Technical Education Division of the Department
12 of Education shall monitor vocational programs in each school district."
13

14 SECTION 7. Arkansas Code Annotated § 6-20-316 is hereby amended to
15 read as follows:

16 "6-20-316. Allocation and administration of funds - Aid to children
17 with disabilities.

18 (a) The Special Education Section of the Department of Education shall
19 require that each district qualifying for aid for children with disabilities
20 present a projected budget of expenditures each year for programs for
21 children with disabilities that will ensure the proper allocation of both
22 state and local moneys for expenditures for this purpose.

23 (b) Funding for special education students is included in Minimum
24 Foundation Program Aid funding distributed to local districts on an ADM
25 basis.

26 (c) The proposed budget of expenditures form prepared by the Special
27 Education Section of the Department of Education for this purpose shall
28 include space for information concerning the expenditure of all federal
29 moneys that might be received by the district for education of children with
30 disabilities.

31 (d) Any amount of state funds generated under Minimum Foundation
32 Program Aid in a district may be used for funding early childhood services
33 for children with disabilities, ages three (3) to five (5).

34 (e) The Special Education Section of the Department of Education shall
35 monitor local programs for the education of children with disabilities and

1 ensure that all necessary records are kept locally for proper identification
2 and classification of children with disabilities in each district.

3 (f) Each district shall make such reports as might be required by the
4 Special Education Section of the Department of Education concerning
5 information or progress of its educational program for children with
6 disabilities.

7 (g) Set-aside funds for the educational costs of children with
8 disabilities placed in approved residential treatment facilities located
9 outside the boundaries of the State of Arkansas may be used to fund the
10 excess cost of such placement incurred by a school district. The excess cost
11 to the district will be that amount remaining after the district has paid the
12 funds available under the set-aside funds."

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14 SECTION 8. Arkansas Code Annotated § 6-20-219(b) is hereby amended to
15 read as follows:

16 "(b) Such regulations shall provide for full funding of annual aid per
17 average child transported under the pupil aid section of the transportation
18 aid formula which shall be paid to each school district operating a
19 transportation program, provided, that in the event the State Transportation
20 Aid funds during any fiscal year are inadequate to pay each school district
21 the full amount of transportation aid according to the regulations of the
22 State Board of Education, the board shall make a percentage reduction in the
23 aid payable to the school district."

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25 SECTION 9. All provisions of this act of a general and permanent
26 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
27 Code Revision Commission shall incorporate the same in the Code.

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29 SECTION 10. If any provision of this act or the application thereof to
30 any person or circumstance is held invalid, such invalidity shall not affect
31 other provisions or applications of the act which can be given effect without
32 the invalid provision or application, and to this end the provisions of this
33 act are declared to be severable.

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35 SECTION 11. Arkansas Code Annotated §§ 6-20-310, 6-20-311, § 6-20-314,

1 6-20-317, 6-20-320, and 6-20-321 are hereby repealed.

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3 SECTION 12. All laws and parts of laws in conflict with this act are
4 hereby repealed.

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6 SECTION 13. EMERGENCY. It is hereby found and determined by the
7 Arkansas General Assembly that the effectiveness of this act on July 1, 1995,
8 is essential to the operation of the State Department of Education and the
9 various school districts of Arkansas; that the changes in law reflected in
10 this act require implementation before the beginning of the 1995-96 school
11 year; and that in the event of an extension of the Regular Session, any delay
12 in the effective date of this act beyond July 1, 1995, could work irreparable
13 harm upon the proper administration and provision of essential programs and
14 to the school children of Arkansas. Therefore, an emergency is hereby
15 declared to exist and this act being necessary for the immediate preservation
16 of the public peace, health and safety, shall be in full force and effect
17 from and after July 1, 1995.

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/s/Rep. George

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