

1 State of Arkansas  
2 80th General Assembly  
3 Regular Session, 1995

# A Bill

HOUSE BILL 1598

4 By: Representatives M. Wilson and McGinnis

5  
6

## For An Act To Be Entitled

8 "AN ACT TO AVOID COURT CONTROL OF PUBLIC SCHOOLS IF A  
9 CONSTITUTIONAL AMENDMENT TO ARTICLE 14, SECTION 3, OF THE  
10 ARKANSAS CONSTITUTION, AND LEVYING A STATEWIDE MINIMUM  
11 MILLAGE FAILS TO PASS, AND FOR OTHER PURPOSES."

12  
13

## Subtitle

14 "AN ACT TO AVOID COURT CONTROL OF PUBLIC  
15 SCHOOLS."

16

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

18

19 SECTION 1. *This act shall be known as "The Act to Avoid Court Control*  
20 *of Public Schools Act of 1995."*

21

22 SECTION 2. *Legislative findings.*

23 (a) *The General Assembly recognizes that intelligence and virtue are*  
24 *the safeguards of liberty and the bulwark of a free and good government and*  
25 *that Article 14, § 1 of the Arkansas Constitution requires the state to ever*  
26 *maintain a general, suitable and efficient system of free public schools and*  
27 *to adopt all suitable means to secure to the people the advantages and*  
28 *opportunities of education.*

29 (b) *The General Assembly acknowledges that the present system of*  
30 *school district organization, when combined with the constraints imposed by*  
31 *Amendments 40 and 59 to the Arkansas Constitution, has resulted in wide*  
32 *variances in the burden imposed on taxpayers for the financial support of*  
33 *public education, as follows:*

34 (1) *The total tax rates among school districts and respective*  
35 *burdens on local taxpayers range from a low of twenty-one and three tenths*

1 (21.3) mills of assessed value to a high of fifty-eight and four tenths  
2 (58.4) mills of assessed value and, for taxes used solely for operation and  
3 maintenance, from a low of four (4) mills of assessed value to a high of  
4 fifty-six and four tenths (56.4) mills of assessed value;

5 (2) Each one (1) mill of tax levied against real and personal  
6 property provides as little as two thousand two hundred and seventy-three  
7 dollars (\$2,273) of revenue in the district with the lowest value of assessed  
8 property and as much as one million six hundred seventeen thousand five  
9 hundred and sixteen dollars (\$1,617,516) of revenue in the district with the  
10 highest value of assessed property;

11 (3) The total local funding provided to students of the various  
12 school districts from local millage varies from a low of three hundred  
13 forty-one dollars (\$341) per student to a high of six thousand six hundred  
14 eighty-five dollars (\$6,685) per student and total state and local funding  
15 ranges from a low of one thousand eight hundred ninety one dollars (\$1,891)  
16 per student to eight thousand six hundred ninety six dollars (\$8,696) per  
17 student. The local funding used solely for maintenance and operations varies  
18 from a low of seventy seven dollars (\$77) per student to a high of five  
19 thousand one hundred and twenty three (\$5,123) per student;

20 (4) The number of students in kindergarten through grade twelve  
21 ranges from as few as ninety-five (95) students in the smallest district to  
22 as many as twenty-four thousand one hundred sixty-six (24,166) in the largest  
23 district;

24 (5) The median number of students per district is seven hundred  
25 forty (740) and the average number of students per district is one thousand  
26 four hundred (1,400);

27 (6) The ratio among the districts of teachers to students ranges  
28 from one-to-seven (1 - 7) to one-to-eighteen (1 - 18);

29 (7) The ratio among the districts of administrators to teachers  
30 ranges from one-to-seven (1 - 7) to over one-to-twenty-nine (1 - 29);

31 (c) The General Assembly finds that the State is presently paying  
32 sixty-two percent (62%) of the combined state, local and federal expenditures  
33 for public schools; that the State s expenditure of one billion three hundred  
34 million dollars (\$1,300,000,000) in funds during the 1994-95 fiscal year for  
35 the public schools is forty-eight percent (48%) of the total net state

1 general revenues; and that the percentage of state expenditures for public  
2 schools will continue to rise unless taxpayers at the local level share the  
3 burden more equally.

4 (d) The General Assembly finds that the present formula for disbursing  
5 state support to public schools punishes the students of a district or the  
6 taxpayers of the state when local voters refuse to support their local  
7 schools.

8 (e) The General Assembly finds that it has not previously provided a  
9 legislative interpretation of the constitutional mandate that the State  
10 maintain a general, suitable and efficient system of free public schools, and  
11 it is the intent of this act to provide such interpretation of the  
12 constitutional language.

13 (f) The General Assembly finds that the education of the children of  
14 this state is best secured by maintaining as much local control over the  
15 day-to-day management of school operations as is consistent with state  
16 constitutional requirements, and it is the intent of this act to maintain and  
17 foster such local control consistent with the State's constitutional mandate  
18 to assure suitability and efficiency in the public school system.

19 (g) The General Assembly finds that a suitable and efficient system of  
20 public education should:

21 (1) Assure the availability of approximately equal state revenue  
22 for the education of each similarly situated child in the public schools  
23 regardless of where that child resides within the state;

24 (2) Assure that each school age child resides in a school  
25 district that offers a competitive minimum salary for classroom teachers;

26 (3) Assure that there is incentive and opportunity for patrons  
27 of each school district to provide a greater degree of financial support for  
28 students of such district than may be provided in other districts;

29 (4) Assure that all students graduating from high school are  
30 able to demonstrate a defined minimum level of competence in English  
31 communications (oral, reading and writing), mathematics skills, and science  
32 and social studies disciplines and that such minimum level of competence  
33 evolves over time to higher levels;

34 (5) Assure that students with disabilities have the opportunity  
35 to graduate from high school by demonstrating alternative competencies or

1 alternative levels of competency;

2           (6) Assure that students who are not on track for high school  
3 graduation are identified at a sufficiently early date that they may be  
4 provided an opportunity at reasonable cost to achieve the minimum levels of  
5 competence necessary to graduate from high school;

6           (7) Recognize that graduating from high school requires that the  
7 student, as well as the parent, parents, or guardian of the student, work  
8 hard and assume appropriate responsibility for the student s success or  
9 failure;

10           (8) Encourage parental involvement in the public schools and  
11 public school activities; and

12           (9) Recognize that public schools must provide a safe,  
13 disciplined and drug free environment for students and teachers.

14           (10) Avoid disproportionate variances among school districts in  
15 the financial support burden imposed on taxpayers;

16           (11) Avoid unnecessary duplication of administrative and  
17 operational expenses;

18           (12) Avoid disproportionate variances among school districts in  
19 the use of classroom teachers and capital resources; and

20           (13) Recognize that early attention to and correction of student  
21 deficiencies are substantially less expensive and more effective than  
22 remedial efforts in the later school grades.

23           (h) The General Assembly recognizes that Amendment 40 to the Arkansas  
24 Constitution allows local school boards to propose their own property taxes.  
25 Since the assessed valuation of property varies across the districts, the  
26 existing school districts have access to different amounts of local money to  
27 expend on public education. The General Assembly finds that such variations  
28 in local wealth have contributed to the court's finding that the Arkansas  
29 school funding is unconstitutional.

30           (i) The General Assembly acknowledges that the Arkansas Constitution  
31 requires the State to provide a general, suitable and efficient system of  
32 free public schools. Such obligation has been held by the Arkansas courts to  
33 be a paramount duty of the State despite a local school board's ability to  
34 propose its own property tax rate.

35           (j) The General Assembly recognizes that the supervision of public

1 schools and the execution of the laws regulating the schools shall be vested  
2 in such officers as the General Assembly provides.

3 (k) The State has a limited pool of resources to provide a general,  
4 suitable and efficient system of free public schools.

5 (l) The State recognizes the importance of local decision making in  
6 the education process.

7 (m) The State recognizes its obligation to implement a constitutional  
8 system of school finance by November 1996.

9

10 SECTION 3. School funding if no Constitutional Amendment passes.

11 (a) Beginning July 1, 1997, if a Constitutional Amendment to Article  
12 14, Section 3 of the Arkansas Constitution levying a statewide minimum  
13 millage fails to pass, the State Board of Education shall distribute, from  
14 available funds, the following school funding:

15 (1) State Equalization Funding Per Student;

16 (2) Student Classroom Teacher Funding;

17 (3) Student Unit Funding;

18 (4) Student Needs Funding;

19 (5) Student Growth Funding;

20 (6) General Facilities Funding; and

21 (7) Growth Facilities Funding.

22 (b) Local School Districts may not use Student Classroom Teacher  
23 Funding to compensate anyone other than Classroom Teachers.

24 (c) Local School Districts may not use General Facilities Funding for  
25 maintenance and operations purposes.

26

27 SECTION 4. Definitions.

28 As used in this act, unless the context otherwise requires:

29 (a) Average Daily Membership (ADM): The total number of days attended  
30 plus the total number of days absent by students in grades kindergarten  
31 through twelve (K-12) during the first three (3) quarters of each school  
32 year, divided by the number of school days actually taught in the district  
33 during that period of time rounded up to the nearest hundredth.

34 (b) Base Local Revenue Per Student: The Local Revenue Per Student in  
35 the Equity Assessment Unit with the highest amount of Local Revenue Per

1 Student.

2 (c) Base Millage: Twenty-seven and five tenths (27.5) mills.

3 (d) Base Regional School District: The Equity Assessment Unit with  
4 the highest amount of Local Revenue Per Student.

5 (e) Classroom Teacher: An individual required to hold a teaching  
6 license from the State Department of Education and who is engaged directly in  
7 instruction with students in a classroom setting for more than eighty percent  
8 (80%) of the individual's contracted time, or a guidance counselor, or a  
9 librarian.

10 (f) Student Classroom Teacher Funding: The state financial aid  
11 provided to each Local School District calculated as an amount equal to one  
12 hundred twelve percent (112%) times \$1,633 per Average Daily Membership.

13 (g) Conversion Date: July 1, 1997.

14 (h) Current School District: Each of the school districts existing  
15 immediately prior to the Conversion Date.

16 (i) Equalized Local Revenue Per Student: In the Base Regional School  
17 District the Base Local Revenue Per Student; in all other Equity Assessment  
18 Units the amount equal to the sum of Local Revenue Per Student and State  
19 Equalization Funding Per Student.

20 (j) Equity Assessment Unit: The class of school district that levies a  
21 maintenance and operations millage, a debt service millage or a capital  
22 outlay millage for the benefit of the Local School Districts within the unit.

23 (k) General Facility Funding: The state financial aid provided to  
24 each Equity Assessment Unit, voting the Base Millage, from funds made  
25 available for that purpose based on a facilities needs assessment  
26 justification approved by the State Board of Education, and calculated as  
27 follows: for each mill in excess of four (4) mills above the Base Millage up  
28 to seven and one-hundredths (7.01) mills, the Equity Assessment Unit may be  
29 provided up to twenty dollars (\$20.00) multiplied by the Equity Assessment  
30 Unit's ADM for the previous year multiplied by the ratio of State  
31 Equalization Funding Per Student and Base Local Revenue Per Student.

32 (l) Growth Facility Funding: The state financial aid provided to each  
33 Local School District from funds made available for that purpose, based upon  
34 a facilities needs assessment justification approved by the State Board of  
35 Education, and calculated as follows: Each Local School District whose

1 student growth from the previous year to the first quarter of the current  
2 year exceeds the state average ADM growth may receive an amount up to such  
3 ADM growth in the Local School District times the ratio of the total funds  
4 available for allocation divided by the state's gross increase in ADM.

5 (m) *Incentive Millage:* The millage rate which may be levied by a  
6 Local School District to obtain Incentive Revenue.

7 (n) *Incentive Revenue:* The amount of revenue, not to exceed one  
8 hundred forty percent (140%) multiplied times the Base Local Revenue Per  
9 Student.

10 (o) *Local Revenue Per Student:* In each year ninety-eight percent  
11 (98%) of the amount of revenue available, whether or not collected, in an  
12 Equity Assessment Unit other than the Base Regional School District, solely  
13 from the levy of the Base Millage plus seventy-five percent (75%) of the  
14 Miscellaneous Funds collected in the previous year divided by the ADM of such  
15 Equity Assessment Unit for the previous year.

16 (p) *Local School District:* After the Conversion Date, a class of  
17 school district which conducts the daily affairs of public schools pursuant  
18 to the supervisory authority vested in them by the General Assembly.

19 (q) *Miscellaneous Funds:* Those funds received by an Equity Assessment  
20 Unit from federal forest reserves, federal grazing rights, federal mineral  
21 rights, federal impact aid, federal flood control, wildlife refuge funds,  
22 severance taxes and funds received by the district in lieu of taxes.

23 (r) *State Equalization Funding Per Student:* The amount of state  
24 financial aid per ADM provided to each Equity Assessment Unit calculated by  
25 subtracting the Local Revenue Per Student from the Base Local Revenue Per  
26 Student.

27 (s) *Student Growth Funding:* The amount of state financial aid  
28 provided to each Local School District not later than December 30th of each  
29 year from the funds made available for that purpose, calculated as the sum  
30 of:

31 (1) *The Base Local Revenue Per Student times the increase, if*  
32 *any, in such Local School District's ADM for the first quarter of the current*  
33 *year over the Local School District's ADM for the previous year; and*

34 (2) *The increase, if any, in such Local School District's ADM*  
35 *for the first quarter of the current year over the Local School District's*

1 ADM for the previous year multiplied by fifteen hundred dollars (\$1,500) per  
2 ADM.

3 (t) Student Needs Funding: The amount of state financial aid provided  
4 to each Local School District from available Special Education funding,  
5 Vocational Education funding, At-Risk funding, Isolated funding, and  
6 Transportation Aid pursuant to rules and regulations promulgated by the State  
7 Board of Education.

8 (u) Student Unit Funding: The state financial aid provided to each  
9 Local School District calculated as follows: by dividing the total funds  
10 available for textbook aid, alternative education including gifted and  
11 talented education programs, restructuring and staff development by the total  
12 State ADM for the previous year and multiplying by such Local School  
13 District's ADM for the previous year.

14

15 SECTION 5. Local school districts.

16 (a) On the Conversion Date, each Current School District shall become  
17 a Local School District.

18 (b) On the Conversion Date, a Local School District shall possess all  
19 the powers and duties currently granted by law to a school district, but a  
20 Local School District shall not possess those powers and duties granted to a  
21 school district by Article 14, Section 3 of the Arkansas Constitution or  
22 specifically granted to an Equity Assessment Unit by this act.

23 (c) Beginning with the 1995-96 school year, each local school district  
24 shall prepare an annual certified audit of the financial condition and  
25 transactions of the Local School District as of June 30 of each year in  
26 accordance with generally accepted accounting practices and containing any  
27 other data as determined by the State Board of Education.

28 (d) Nothing in this legislation shall be construed to authorize,  
29 permit or require consolidation of any school district.

30

31 SECTION 6. Local school district board of directors.

32 (a) After the Conversion Date, each Local School District shall be  
33 governed by a Local School District Board of Directors elected at the annual  
34 school election. The initial Local School District Board of Directors in  
35 each Local School District shall be composed of the board of directors of the



1 Current School District on the Conversion Date.

2 (b) The term of office of a member of the Local School District Board  
3 of Directors shall be five (5) years. Each member of the initial Local  
4 School District Board of Directors shall serve a term that ends on the date  
5 on which the member's term on the Local School District Board of Directors  
6 would have ended if this act had not become effective.

7 (c) Following the Conversion Date, at least ninety (90) days in advance  
8 of the annual school election, the Local School District Board of Directors  
9 shall prepare and submit to the Equity Assessment Unit Board of Directors a  
10 balanced budget of proposed expenditures based upon projected state aid for  
11 the upcoming school year and reflecting the millage rate necessary for  
12 maintenance and operations of the school, debt service and capital outlay.  
13 The Current School District Board of Directors shall prepare and submit this  
14 information to the Equity Assessment Unit Board of Directors on July 1, 1997.

15

16 SECTION 7. Equity Assessment Units.

17 (a) Effective on the Conversion Date, the state of Arkansas shall be  
18 organized into fifty- six (56) Equity Assessment Units, composed of the  
19 following Current School Districts or their successors:

20 Unit 1: Berryville, Eureka Springs, Green Forest, Huntsville, Kingston,  
21 St. Paul.

22 Unit 2: Alpena, Bergman, Deer, Harrison, Jasper, Lead Hill, Mt. Judea,  
23 Omaha, Valley Springs, Western Grove.

24 Unit 3: Cotter, Mammoth Spring, Mountain Home, Norfolk, Salem, Viola.

25 Unit 4: Alma, Cedarville, Fort Smith, Greenwood, Hackett, Hartford,  
26 Lavaca, Mansfield, Mountainburg, Mulberry, Van Buren.

27 Unit 5: Atkins, Danville, Dardanelle, Dover, Fourche Valley, Hector,  
28 Ola, Plainview-Rover, Pottsville, Russellville, Western Yell County.

29 Unit 6: Batesville, Cord-Charlotte, Cushman, Midland, Mountain View,  
30 Newark, Rural Special, Southside, Stone County, Sulphur Rock.

31 Unit 7: Alread, Clinton, Concord, Heber Springs, Quitman, Scotland,  
32 Shirley, South Side, West Side Greers Ferry, Wilburn.

33 Unit 8: East End, Nemo Vista, Perry-Casa, Perryville, South Conway,  
34 Wonderview.

35 Unit 9: Bauxite, Benton, Bryant, Cutter-Morning Star, Fountain Lake,

- 1 *Harmony Grove, Hot Springs, Jessieville, Lake Hamilton, Lakeside, Mountain*  
2 *Pine, Paron.*
- 3 *Unit 10: Ashdown, Bright Star, Foreman, Fouke, Genoa Central,*  
4 *Texarkana.*
- 5 *Unit 11: Bearden, Fairview, Hampton, Harmony Grove, Stephens.*
- 6 *Unit 12: Drew Central, Hermitage, Monticello, Warren.*
- 7 *Unit 13: Crossett, Dermott, Eudora, Fountain Hill, Hamburg, Lakeside.*
- 8 *Unit 14: Arkansas City, Delta Special, Dumas, Gould, Grady, McGehee,*  
9 *Star City.*
- 10 *Unit 15: Barton-Lexa, Brinkley, Clarendon, Elaine, Helena-West Helena,*  
11 *Holly Grove, Lake View, Marvell.*
- 12 *Unit 16: Cabot, Carlisle, Des Arc, DeValls Bluff, England, Hazen,*  
13 *Humnoke, Lonoke.*
- 14 *Unit 17: Forrest City, Hughes, Lee County, Palestine-Wheatley.*
- 15 *Unit 18: Augusta, Cotton Plant, Jackson Co., McCrory, Newport, Swifton.*
- 16 *Unit 19: Bay, Brookland, Buffalo Island Central, East Poinsett Co.,*  
17 *Harrisburg, Jonesboro, Marked Tree, Nettleton, Riverside, Trumann, Valley*  
18 *View, Weiner, Westside Cons.*
- 19 *Unit 20: Bentonville, Decatur, Gentry, Gravette, Pea Ridge, Rogers,*  
20 *Siloam Springs.*
- 21 *Unit 21: Elkins, Farmington, Fayetteville, Greenland, Lincoln, Prairie*  
22 *Grove, Springdale, West Fork, Winslow.*
- 23 *Unit 22: Flippin, Marion, Yellville-Summit.*
- 24 *Unit 23: Leslie, Marshall, St. Joe, Witts Springs.*
- 25 *Unit 24: Altus-Denning, Charleston, County Line, Ozark, Pleasant View.*
- 26 *Unit 25: Clarksville, Lamar, Oark, Westside.*
- 27 *Unit 26: Booneville, Magazine, Paris, Scranton.*
- 28 *Unit 27: Waldron.*
- 29 *Unit 28: Acorn, Hatfield, Mena, Van Cove, Wickes.*
- 30 *Unit 29: Caddo Hills, Mount Ida, Oden.*
- 31 *Unit 30: DeQueen, Horatio, Lockesburg.*
- 32 *Unit 31: Dierks, Mineral Springs, Nashville, Umpire.*
- 33 *Unit 32: Delight, Glenwood, Kirby, Murfreesboro.*
- 34 *Unit 33: Blevins, Hope, Saratoga, Spring Hill.*
- 35 *Unit 34: Bradley, Lewisville, Stamps.*

- 1           Unit 35: Emerson, Magnolia, McNeil, Taylor, Waldo, Walker.
- 2           Unit 36: El Dorado, Huttig, Junction City, Mount Holly, Norphlet,
- 3 Parkers Chapel, Smackover, Strong, Union.
- 4           Unit 37: Emmet, Prescott, Nevada.
- 5           Unit 38: Amity, Arkadelphia, Gurdon.
- 6           Unit 39: Bismarck, Glen Rose, Magnet Cove, Malvern, Ouachita.
- 7           Unit 40: Carthage, Fordyce, Sparkman.
- 8           Unit 41: Poyen, Sheridan.
- 9           Unit 42: Kingsland, Rison, Woodlawn.
- 10          Unit 43: Altheimer Unified, Dollarway, Pine Bluff, Watson Chapel, White
- 11 Hall.
- 12          Unit 44: Dewitt, Gillett, Stuttgart, Humphrey.
- 13          Unit 45: Pulaski Co. Spec., No. Little Rock, Little Rock.
- 14          Unit 46: Conway, Greenbrier, Guy-Perkins, Mayflower, Mt. Vernon-Enola,
- 15 Vilonia.
- 16          Unit 47: Bald Knob, Beebe, Bradford, McRae, Pangburn, Riverview, Rose
- 17 Bud, Searcy, White Co. Central.
- 18          Unit 48: Cross County, Parkin, Wynne.
- 19          Unit 49: Crawfordsville, Earle, Marion, Turrell, West Memphis.
- 20          Unit 50: Armorel, Blytheville, Gosnell, Manila, Osceola, So. Miss.
- 21 County.
- 22          Unit 51: Clay Co. Central, Corning, Piggott.
- 23          Unit 52: Delaplaine, Greene Co. Tech., Marmaduke, Northeast Ark..
- 24          Unit 53: Biggers-Reyno, Maynard, Pocahontas, Randolph.
- 25          Unit 54: Black Rock, Hoxie, Lynn, Sloan-Hendrix, Strawberry, Walnut
- 26 Ridge.
- 27          Unit 55: Cave City, Evening Shade, Highland, Williford
- 28          Unit 56: Calico Rock, Izard Co. Cons., Melbourne, Mount Pleasant
- 29          (b) An Equity Assessment Unit shall possess only those powers and
- 30 duties granted to a school district by Article 14, Section 3 of the Arkansas
- 31 Constitution or granted to the Equity Assessment Unit by this Act.
- 32          (c) Upon the adoption of a constitutional amendment to Article 14, §3
- 33 of the Arkansas Constitution, Equity Assessment Units shall cease to exist.
- 34
- 35          SECTION 8. Equity Assessment Unit Board of Directors.

1           (a) Each Equity Assessment Unit shall be governed by a Board of  
2 Directors elected from single-member zones at the annual school election.  
3 The number of directors on each Equity Assessment Unit Board of Directors  
4 shall be determined as provided in Section 9 of this act.

5           (b) Except as provided in Section 9, subsection (b) of this act, the  
6 term of office of a member of the Equity Assessment Unit Board of Directors  
7 shall be five (5) years.

8           (c) A member for election to the Equity Assessment Unit Board of  
9 Directors shall be a qualified elector and a resident of the zone from which  
10 elected. A member of the board of directors of a Current School District or  
11 a Local School District shall be eligible for election to the Equity  
12 Assessment Unit Board of Directors, but a person shall not serve at the same  
13 time on both an Equity Assessment Unit Board of Directors and a Local School  
14 District Board of Directors.

15           (d) The Equity Assessment Unit Board of Directors shall have the  
16 following powers and duties, exclusively, and shall not delegate these powers  
17 or duties to any other entity:

18                   (1) To review the budgets proposed by the Local School Boards  
19 within the Equity Assessment Unit.

20                   (2) To prepare at least sixty (60) days in advance of the annual  
21 school election a budget of proposed maintenance and operations expenditures,  
22 debt service and capital outlay deemed necessary to provide for the  
23 maintenance of Local School District's within the Equity Assessment Unit.

24                   (3) To propose a rate of tax levy sufficient for the Equity  
25 Assessment Unit to finance budgeted expenditures of the Local School District  
26 within the Equity Assessment Unit.

27                   (4) To publish once a week for three (3) consecutive weeks in a  
28 newspaper(s) of area circulation in the Equity Assessment Unit at least  
29 twenty-five (25) days before the annual school election an estimate of the  
30 amount of money needed by the Equity Assessment Unit and each Local School  
31 District within the Equity Assessment Unit for the ensuing year, showing  
32 separately the amount needed for general control, instruction, operation of  
33 the plant, maintenance of the plant, auxiliary agencies, and fixed charges.

34                   (5) To review the Equity Assessment Unit single-member zoning  
35 plan after each federal decennial census, and at least one-hundred twenty

1 (120) days before the next annual school election, submit any proposed  
2 changes in the number of directors or the geographical boundaries of zones  
3 for approval by the State Board of Education.

4 (6) To receive State Equalization Funding Per Student and  
5 distribute such funding to Local School Districts within the Equity  
6 Assessment Unit as directed by the Department of Education.

7 (e) The Department of Education shall pay from available funds the  
8 cost of each Equity Assessment Board in meeting to perform its duties.

9 (f) The Equity Assessment Unit Board shall meet three times a year in  
10 June, July and August, or at the call of a majority of Local School Board  
11 Presidents within the Equity Assessment Unit.

12

13 SECTION 9. Procedures for election and organization of the initial  
14 Equity Assessment Unit Board of Directors.

15 (a)(1) On July 1, 1996, the presidents of the boards of directors of  
16 the Current School Districts located within each Equity Assessment Unit shall  
17 constitute an Interim Apportionment Board for the Equity Assessment Unit.

18 (2) During the Fall of 1996, the Interim Apportionment Board  
19 shall study and conduct one or more public hearings on the formation of the  
20 zones for the Equity Assessment Unit Board of Directors.

21 (3) The Interim Apportionment Board shall determine the number of  
22 members of the Equity Assessment Unit Board of Directors which shall be  
23 composed of seven (7), nine (9), eleven (11) or thirteen (13) members elected  
24 from single-member zones of substantially equal population in compliance with  
25 the applicable federal laws.

26 (4) At the request of any Interim Apportionment Board, the State  
27 Department of Education shall prepare proposed single-member districts for  
28 the Interim Apportionment Board at no cost to the Interim Apportionment  
29 Board.

30 (5) Each Interim Apportionment Board member shall submit to the  
31 State Department of Education a map showing the existing boundaries of the  
32 member's Local School District. If no accurate map is submitted to the  
33 Department of Education, the member failing to submit such map shall cease to  
34 be a member of the Interim Apportionment Board.

35 (6) The Interim Apportionment Board of each Equity Assessment

1 Unit shall submit to the State Department of Education a zoning plan  
2 designating the number and geographical boundaries of the single-member zones  
3 of the Equity Assessment Unit Board of Directors.

4 (7) The State Board of Education shall review the zoning plan  
5 submitted by the Interim Apportionment Board and shall approve the zoning  
6 plan if it meets the requirements of all applicable federal laws.

7 (8) Upon the approval by the State Board of Education of a  
8 zoning plan for an Equity Assessment Unit Board of Directors, the Interim  
9 Apportionment Board for that Equity Assessment Unit shall cease to exist.

10 (9) The State Board of Education shall have the authority to  
11 call a special election on or before March 31, 1997, for the purpose of  
12 electing each Equity Assessment Unit Board of Directors pursuant to the  
13 provisions of Ark. Code Ann. §§ 6-14-105, 6-14-106, 6-14-107, 6-14-109 and  
14 6-14-111.

15 (10) A voter may only vote for candidates for the Equity  
16 Assessment Unit Board of Directors from the voter's zone within the Equity  
17 Assessment Unit.

18 (b) The initial Equity Assessment Unit Board of Directors shall draw  
19 lots to determine terms of office so that the terms of an approximate equal  
20 number of members expire at the same time and no director has a term longer  
21 than five (5) years.

22

23 **SECTION 10. Duties of County Treasurer.**

24 (a) Beginning with the 1997-98 school year, the Department of  
25 Education shall provide each County Treasurer a printout indicating the  
26 amount of local tax receipts due each Local School District.

27 (b) Each County Treasurer shall transfer to each Local School District  
28 such local tax receipts as the Department indicates in section (a) above.

29

30 **SECTION 11. Classroom teachers.**

31 Exclusive of teacher salary provisions, a collective bargaining  
32 agreement in effect in a Current School District on the Conversion Date shall  
33 be binding for one year on the Local School District succeeding the Current  
34 School District. Thereafter, the Local School Board shall have the authority  
35 to negotiate any such agreements.

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*SECTION 12. Enforcement Mechanisms After the Conversion Date.*

*(a) If the Department of Education determines that an Equity Assessment Unit has failed to levy at least the Base Millage, the Director of the Department of Education shall so certify to the State Treasurer, the State Auditor, and the Chief Fiscal Officer of the State. Upon such certification the State Treasurer, the State Auditor, and the Chief Fiscal Officer of the State shall transfer on their books and the State Treasurer shall cause to be transferred from such sources as are enumerated herein, to the Public School Fund created by Ark. Code Ann. § 19-5-305 an amount which, when combined with the revenues produced by the millage actually levied by the Equity Assessment Unit, provides the same amount of revenues as would have been produced by levying the Base Millage in the Equity Assessment Unit. Such transfer shall be made from and shall not exceed the funded amounts available from the following sources that would otherwise be distributed to the counties and municipalities located within the Equity Assessment Unit:*

*(1) The monthly distribution of County Aid provided for under Ark. Code Ann. § 19-5-602(b) derived from the revenues provided in Ark. Code Ann. § 19-5-602(a).*

*(2) The monthly distribution of Municipal Aid provided for in Ark. Code Ann. § 19-5-601(b) derived from the revenues provided in Ark. Code Ann. § 19-5-601(a).*

*(3) Such funds as may be provided by appropriations of the General Assembly for County Jail/Medical Reimbursements under the provisions of Ark. Code Ann. § 12-27-114 et seq.*

*(b) The Department of Education shall distribute any funds transferred pursuant to subsection (a) of this section to the Equity Assessment Unit that failed to levy the Base Millage in a fashion that, when combined with the revenues produced by the millage available for maintenance and operations actually levied by the Equity Assessment Unit, provides the same amount of revenues as would have been provided by levying the Base Millage in the Equity Assessment Unit. If the Department of Education determines that a Equity Assessment Unit has failed to levy at least the Base Millage, the Director of the Department of Education shall so certify to the Chief Fiscal Officer of the State. Upon receiving such certification the Chief Fiscal*

1 *Officer of the State shall utilize all methods available to him which shall*  
2 *cause any county, municipality, or other political subdivision located within*  
3 *the Equity Assessment Unit to become ineligible for grants from any*  
4 *discretionary state grant awards program.*

5 *(c) For purposes of this section, a county located in two or more*  
6 *Equity Assessment Units shall be considered located within the Equity*  
7 *Assessment Unit within which resides the greater number of registered voters*  
8 *of the county.*

9 *(d) If the Department of Education determines that an Equity*  
10 *Assessment Unit has levied a millage in excess of the Incentive Millage, the*  
11 *Director of the Department of Education shall withhold from any available*  
12 *funds otherwise distributable to the Equity Assessment Unit under this act an*  
13 *amount equal to the revenues in excess of the Incentive Revenues. This*  
14 *subsection shall not apply to the extent such application would violate any*  
15 *federal court order.*

16 *(e) For purposes of determining whether an Equity Assessment Unit has*  
17 *levied a millage in excess of the Incentive Millage, millage used to service*  
18 *debt or dedicated to capital outlay shall not be included.*

19 *(f) This section shall be effective on or after July 1, 1997, except*  
20 *as specifically otherwise provided.*

21

22 *SECTION 13. Arkansas Code Annotated § 6-17-1001 shall be amended to*  
23 *read as follows:*

24 *"6-17-1001. Minimum base salary -- Master\_s degree.*

25 *(a) The board of directors in each school district in the state shall*  
26 *pay their teachers upon a salary schedule which has annual increments for*  
27 *education and experience and which provides for a base salary, a minimum*  
28 *salary for a teacher with a master\_s degree, and at least fourteen (14) years*  
29 *of experience as described herein.*

30 *(b) In school year 1996-97 and each school year thereafter, no school*  
31 *district shall pay its teachers with a bachelor\_s degree and no experience*  
32 *less than twenty thousand dollars (\$20,000).*

33 *(c) In school year 1996-97 and each school year thereafter, school*  
34 *districts shall pay teachers with a master\_s degree and no experience at*  
35 *least one hundred fifteen percent (115%) of the minimum base salary*



1 prescribed in subsection (b) of this section.

2 (d) In school year 1997-98, school districts shall pay a teacher with  
3 a master\_s degree and at least fourteen (14) years of experience one hundred  
4 fifty percent (150%) of the state minimum base salary.

5 (e)(1) In school year 1995-96 and each school year thereafter, each  
6 school district in the state shall have in place a salary schedule which  
7 provides at least fourteen (14) annual increments for experience.

8 (2) The minimum levels of compensation required by this section  
9 are as follows:

10 Years Experience	BA Degree Salary	MA Degree Salary
11 0	\$20,000	\$23,000
12 1	\$20,400	\$23,400
13 2	\$20,800	\$23,800
14 3	\$21,200	\$24,200
15 4	\$21,600	\$24,600
16 5	\$22,000	\$25,000
17 6	\$22,400	\$25,400
18 7	\$22,800	\$25,800
19 8	\$23,200	\$26,200
20 9	\$23,600	\$26,600
21 10	\$24,000	\$27,000
22 11	\$24,400	\$27,400
23 12	\$24,800	\$27,800
24 13	\$25,200	\$28,200
25 14 or more	\$25,600	\$30,000

26 (f) For the 1997-98 school year and each year thereafter, each school  
27 district shall provide no less than four hundred dollar (\$400) increments for  
28 experience for teachers with one (1) and two (2) years of experience.

29 (g) For the 1998-99 school year and each year thereafter, each school  
30 district shall provide no less than four hundred dollar (\$400) increments for  
31 experience for teachers with three (3) and four (4) years of experience.

32 (h) For the 1999-2000 school year and each year thereafter, each  
33 school district shall provide no less than four hundred dollar (\$400)  
34 increments for experience for teachers with five (5) and six (6) years of  
35 experience.

1           (i) For the 2000-01 school year and each year thereafter, each school  
2 district shall provide no less than four hundred dollar (\$400) increments for  
3 experience for teachers with seven (7) and eight years experience.

4           (j) For the 2001-02 school year and each year thereafter, each school  
5 district shall provide no less than four hundred dollar (\$400) increments for  
6 experience for teachers with nine (9) and ten (10) years experience.

7           (k) For the 2002-03 school year and each year thereafter, each school  
8 district shall provide no less than four hundred dollar (\$400) increments for  
9 experience for teachers with eleven (11) and twelve (12) years experience.

10          (l) For the 2003-04 school year and each year thereafter, each school  
11 district shall provide no less than four hundred dollar (\$400) increments for  
12 experience for teachers with thirteen (13) and years of experience.

13          (m) The term 'teacher' as used in this section shall include any  
14 full-time employee of a local public school district who is compelled by law  
15 to secure a license from the State Board of Education as a condition  
16 precedent to employment in a position in or related to grades  
17 pre-kindergarten through twelve (12) of the public schools of this state.

18          (n) All minimum salaries set forth in this section shall be for a  
19 contract number of days that is not more than the number of days in the  
20 school year required by State Board of Education regulations for  
21 accreditation for the school year in which the contract is effective.

22          (o) A district which determines that it cannot meet the minimum salary  
23 requirements of this section may petition the Department of Education for a  
24 waiver of the requirements of this section for up to two (2) school years,  
25 based on regulations promulgated by the State Board of Education. The State  
26 Department of Education shall not grant a waiver to any district which is not  
27 in compliance with the Base Millage requirements."  
28

29           **SECTION 14. School Funding if a Constitutional Amendment Passes.**

30          (a) If a Constitutional Amendment to Article 14, Section 3 of the  
31 Arkansas Constitution levying a statewide minimum millage passes, the State  
32 Board of Education shall distribute, from available funds, the school funding  
33 categories specified in Section 3 of this Act to Local School Districts; and  
34 no Equity Assessment Units shall be created.

35          (b) For purposes of this section, the definitions contained in section

1 4 shall be modified as follows:

2 (i) The definitions of the following terms shall not apply: Base  
3 Regional School District, Equalized Local Revenue Per Student, Equity  
4 Assessment Unit, Incentive Millage, Incentive Revenue, and Local Revenue Per  
5 Student.

6 (ii) "Base Local Revenue Per Student" shall mean one thousand  
7 three hundred seventy-eight dollars (\$1,378.00).

8 (iii) "Base Millage" shall mean twenty-five (25) mills available  
9 for maintenance and operations purposes.

10 (iv) Substitute "Local School District" each time "Equity  
11 Assessment Unit" is used in Section 4.

12 (v) "State Equalization Funding Per Student" shall mean one  
13 thousand three hundred seventy-eight dollars (\$1,378.00).

14 (c) The state shall provide \$1,378 dollars in State Equalization  
15 Funding Per Student to each Local School District from available state aid  
16 and the statewide minimum millage.

17 (d) If a Constitutional Amendment to Article 14, Section 3 levying a  
18 statewide minimum millage passes, Section 7, 8, 9, and 12 shall not apply.

19

20 SECTION 15. Miscellaneous.

21 The State Board of Education shall have authority, acting pursuant to  
22 its rule-making powers, to adopt regulations for the implementation of the  
23 provisions of this act.

24

25 SECTION 16. Liberal Construction.

26 All general provisions, terms, phrases and expressions used in this Act  
27 or any related provisions of the Arkansas Code of 1987 Annotated shall be  
28 liberally construed so as to effectuate its purposes.

29

30 SECTION 17. Applicability of other laws.

31 (a) The following sections of the Ark. Code Ann. shall apply to and  
32 govern the operations of Equity Assessment Units: Ark. Code Ann.  
33 §§ 6-13-611, 6-13-612, 6-13-613.

34 (b) Any law providing that a fiscal crisis will not interrupt  
35 educational services provided to students shall apply to Local School

1 *Districts.*

2

3 *SECTION 18. Specific repealer.*

4 *(a) Effective July 1, 1997, the following sections of the Ark. Code*  
5 *Ann. are hereby repealed: Ark. Code Ann. §§ 6-15-205, 6-17-802, 6-20-301-307,*  
6 *6-20-309-321, and 6-20-601-604.*

7

8 *SECTION 19. All provisions of this act of a general and permanent*  
9 *nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas*  
10 *Code Revision Commission shall incorporate the same in the Code.*

11

12 *SECTION 20. If any provision of this act or the application thereof to*  
13 *any person or circumstance is held invalid, such invalidity shall not affect*  
14 *other provisions or applications of the act which can be given effect without*  
15 *the invalid provision or application, and to this end the provisions of this*  
16 *act are declared to be severable.*

17

18 *SECTION 21. All laws and parts of laws in conflict with this act are*  
19 *hereby repealed.*

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21 */s/Rep. M. Wilson, et al*

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