

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Representatives M. Wilson and McGinnis

A Bill

HOUSE BILL 1790

For An Act To Be Entitled

8 "AN ACT TO PRESERVE THE LOCAL GOVERNANCE OF SCHOOLS AND TO
9 PROVIDE FOR EQUITABLE FUNDING AND SIMPLE DISTRIBUTION OF
10 FUNDS FOR PUBLIC SCHOOL FINANCING; AND FOR OTHER
11 PURPOSES."

Subtitle

14 "TO PRESERVE THE LOCAL GOVERNANCE OF
15 SCHOOLS AND PROVIDE FOR EQUITABLE
16 FUNDING AND SIMPLE DISTRIBUTION OF FUNDS
17 FOR PUBLIC SCHOOL FINANCING."

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

21 *SECTION 1. This act shall be known as "The Equitable School Finance*
22 *System Act of 1995".*

24 *SECTION 2. Legislative findings.*

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

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

1 (1) The total tax rates among school districts and respective
2 burdens on local taxpayers range from a low of twenty-one and three tenths
3 (21.3) mills of assessed value to a high of fifty-eight and four tenths
4 (58.4) mills of assessed value and, for taxes used solely for operation and
5 maintenance, from a low of four (4) mills of assessed value to a high of
6 fifty-six and four tenths (56.4) mills of assessed value;

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

13 (3) The total local funding provided to students of the various
14 school districts from local millage varies from a low of three hundred
15 forty-one dollars (\$341) per student to a high of six thousand six hundred
16 eighty-five dollars (\$6,685) per student and total state and local funding
17 ranges from a low of one thousand eight hundred ninety one dollars (\$1,891)
18 per student to eight thousand six hundred ninety six dollars (\$8,696) per
19 student. The local funding used solely for maintenance and operations varies
20 from a low of seventy seven dollars (\$77.00) per student to a high of five
21 thousand one hundred and twenty three (\$5,123) per student;

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

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

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

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

33 (c) The General Assembly finds that the State is presently paying
34 sixty-two percent (62%) of the combined state, local and federal expenditures
35 for public schools; that the State's expenditure of one billion three hundred

1 million dollars (\$1,300,000,000) in funds during the 1994-95 fiscal year for
2 the public schools is forty-eight percent (48%) of the total net state
3 general revenues; and that the percentage of state expenditures for public
4 schools will continue to rise unless taxpayers at the local level share the
5 burden more equally.

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

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

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

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

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

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

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

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

1 (5) Assure that students with disabilities have the opportunity
2 to graduate from high school by demonstrating alternative competencies or
3 alternative levels of competency;

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

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

12 (8) Encourage parental involvement in the public schools and
13 public school activities; and

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

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

18 (11) Avoid unnecessary duplication of administrative and
19 operational expenses;

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

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

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

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

1 propose its own property tax rate.

2 (j) The General Assembly recognizes that the supervision of public
3 schools and the execution of the laws regulating the schools shall be vested
4 in such officers as the General Assembly provides.

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

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

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

11

12 **SECTION 3. School Funding.**

13 (a) Beginning with the 1996-97 school year, the Department of
14 Education shall provide from available funds, the following school funding
15 categories in the priority listed to Local School Districts:

16 (1) Category 1. State Equalization Funding Per Student;

17 (2) Category 2. Student Classroom Teacher Funding;

18 (3) Category 3. Student Unit Funding; and

19 (4) Category 4. Student Needs Funding.

20 However, no subsequent category of funding shall receive any funding until
21 each prior Category is fully funded. If any category of funding, excluding
22 category 1, is only partially funded, each Local School District shall
23 receive a pro rata share. If Category 1 is not fully funded, each Local
24 School District shall receive an amount from Category 1 calculated by taking
25 the sum of:

26 (1) The total available state aid for State Equalization Funding
27 Per Student;

28 (2) Ninety-eight percent (98%) of the Base Millage times the
29 total state assessed valuation; and

30 (3) Seventy-five percent (75%) Miscellaneous Funds; and

31 by dividing the sum by the total state ADM.

32 (b) Beginning with the 1996-97 school year, General Facilities
33 funding, Growth Facilities Funding, Isolated Funding and Student Growth shall
34 be provided to Local School Districts from available funds in a line item
35 appropriation within the Public School Fund.

1 (c) Beginning with the 1996-97 school year, the state shall provide
2 from available funds a Debt Service Funding Supplement to qualifying local
3 school districts for the purpose of reducing existing debt service burdens
4 and increasing the amount of local revenue available for maintenance and
5 operations expenditures.

6 (d) After determining the amount of State Equalization Funding,
7 Student Classroom Teaching Funding, Student Unit Funding, Vocational Funding,
8 General Facilities Funding, and Student Growth Funding available to each
9 Local School District, the Department of Education shall provide any
10 additional state funding necessary to ensure that the Total State And Local
11 Revenue per ADM of each Local School District is no less than the Minimum
12 State and Local Revenue per ADM.

13 (e) Local School Districts may not use Student Classroom Teacher
14 Funding to compensate anyone other than Classroom Teachers.

15 (f) A Local School District may only use General Facilities Funding for
16 purchase of school buses, furniture, equipment, computer software or
17 renovation or repairs of existing facilities.

18 (g) A Local School District may only use Growth Facilities Funding for
19 capital outlay which means for the acquisition of land or a school site and
20 construction of new school facilities.

21 (h) Local School Districts may expend category 1 funds for student
22 classroom teacher funding, student unit funding and student needs funding.

23 (i) Local School Districts must expend the following amounts of money
24 from funds distributed in section (a) above and from local revenues:

25 (1) Local School Districts shall expend at least one thousand
26 five hundred forty-eight dollars and fifty-nine cents (\$1,548.59) per ADM for
27 Classroom Teacher salaries. Equalized Educational Excellence Trust Funds
28 shall be used solely for Classroom Teacher salaries and required social
29 security matching.

30 (2) Local School Districts shall expend state and local revenues
31 on students evaluated as special education students in accordance with
32 existing federal and state laws and Department regulations as such laws and
33 regulations shall be amended from time to time and based on the following
34 criteria:

35 (A) Calculate a three-year average percentage not to

1 exceed twelve and one-half percent (12.5%), based on the three (3)
2 immediately preceding December 1 counts of students in special education; and
3 (B) Multiply the three-year average percentage not to
4 exceed twelve and one-half percent (12.5%) times the average daily membership
5 and multiply the result times sixty-four hundredths (.64) times the Base
6 Local Revenue Per Student.

7 (3) Local School Districts shall expend from state and local
8 revenues not less than the following amounts on Vocational Education students
9 in accordance with rules and regulations promulgated by the State Board of
10 Education: The previous year's ADM participating in vocational education
11 programs multiplied by thirty-four hundredths (.34) times the Base Local
12 Revenue Per Student.

13 (4) Local School Districts shall expend from state and local
14 revenues not less than the following amounts on Alternative Education
15 Programs including gifted and talented programs in accordance with rules and
16 regulations promulgated by the State Board of Education: The previous year's
17 ADM participating in alternative education, including gifted and talented, up
18 to seven percent (7%) of the previous year's ADM, multiplied by fifteen
19 hundredths (.15) times the Base Local Revenue Per Student.

20 (j) For the 1995-96 school year, if a Local School District fails to
21 levy at the September 1995 annual school election a Base Millage, exclusive
22 of millage used to service debt and capital outlay, the Local School District
23 shall not expend funds for school construction not under contract as of
24 February 22, 1995.

25

26 SECTION 4. Definitions.

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

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

33 (b) Base Local Revenue Per Student: If Category 1 is fully funded,
34 the local revenue per student in the Local School District with the highest
35 amount of Local Revenue Per Student. If Category 1 is not fully funded, the

1 Revenue Per Student to which the state equalizes calculated by taking the sum
2 of:

3 (1) The total available state aid for State Equalization Funding
4 per student;

5 (2) Ninety-eight percent (98%) of the Base Millage times the
6 total state assessed valuation; and

7 (3) Seventy-five percent (75%) of Miscellaneous Funds; and
8 by dividing the sum by the total state ADM.

9 (c) Base Millage: Twenty-five (25) mills.

10 (d) Classroom Teacher: An individual required to hold a teaching
11 license from the State Department of Education and who is engaged directly in
12 instruction with students in a classroom setting for more than eighty percent
13 (80%) of the individual's contracted time, or a guidance counselor, or a
14 librarian.

15 (e) Debt Service Funding Supplement: the state financial aid provided
16 to qualifying local school districts for the purpose of reducing existing
17 debt service burdens and increasing the amount of local revenue available for
18 maintenance and operations expenditures and calculated as follows: for each
19 mill required to meet the annual debt service expenditure obligation, the
20 local school may be provided up to twelve dollars (\$12.00) per ADM times the
21 difference of one minus the ratio of the district's Local Revenue Per Student
22 and State Equalization Funding Per Student.

23 (f) Equalized Local Revenue Per Student: In each Local School
24 District the amount equal to the sum of Local Revenue Per Student and State
25 Equalization Funding Per Student.

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

35 (h) Growth Facility Funding: The state financial aid provided to each

1 Local School District from funds made available for that purpose, based upon
2 a facilities needs assessment justification approved by the State Board of
3 Education, and calculated as follows: Each Local School District whose
4 student growth from the previous year to the first quarter of the current
5 year exceeds the state average ADM growth may receive an amount up to such
6 ADM growth in the Local School District times the ratio of the total funds
7 available for allocation divided by the state's gross increase in ADM.

8 (i) Incentive Millage: The millage rate which may be levied by a
9 Local School District to obtain Incentive Revenue.

10 (j) Incentive Revenue: The amount of revenue, not to exceed one
11 hundred twenty-five percent (125%) multiplied times the Base Local Revenue
12 Per Student.

13 (k) Isolated Funding: The state financial aid provided to qualifying
14 Local School Districts from funds made available for that purpose and
15 calculated as follows:

16
$$\frac{(350 - \text{Previous year's ADM})}{850} \text{ Previous year's ADM times}$$

17

18 the Base Local Revenue Per Student.

19 (l) Local Revenue Per Student: In each year ninety-eight percent
20 (98%) of the amount of revenue available, whether or not collected, in a
21 Local School District, solely from the levy of the Base Millage plus
22 seventy-five percent (75%) of the Miscellaneous Funds collected in the
23 previous year divided by the ADM of such Local School District for the
24 previous year.

25 (m) Local School District: A class of school district which conducts
26 the daily affairs of public schools pursuant to the supervisory authority
27 vested in them by the General Assembly.

28 (n) Local School District at the ninety-fifth (95th) percentile: When
29 ranking districts in descending order by the Total State and Local revenue
30 Per ADM, the district which falls at the ninety-fifth (95th) percentile of
31 the total number of pupils in attendance in the schools of this state, as
32 described by 34 C.F.R. 222.63 [1994].

33 (o) Minimum State and Local Revenue per ADM: An amount no less than
34 eighty percent (80%) of the Total State and Local Revenue Per ADM of the
35 Local School District at the ninety-fifth (95th) percentile.

1 (p) *Miscellaneous Funds: Those funds received by a Local School*
2 *District from federal forest reserves, federal grazing rights, federal*
3 *mineral rights, federal impact aid, federal flood control, wildlife refuge*
4 *funds, severance taxes and funds received by the district in lieu of taxes.*

5 (q) *State Equalization Funding Per Student: The amount of state*
6 *financial aid per ADM provided to each Local School District calculated by*
7 *subtracting the Local Revenue Per Student from the Base Local Revenue Per*
8 *Student.*

9 (r) *Student Classroom Teacher Funding: The state financial aid*
10 *provided to each Local School District calculated as an amount equal to one*
11 *hundred twelve percent (112%) times one thousand six hundred and thirty-three*
12 *dollars (\$1,633) per Average Daily Membership.*

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

17 (1) *The Base Local Revenue Per Student multiplied by forty*
18 *hundredths (.40) times the increase, if any, in such Local School District's*
19 *ADM for the first quarter of the current year over the Local School*
20 *District's ADM for the previous year; and*

21 (2) *The increase, if any, in such Local School District's ADM*
22 *for the first quarter of the current year over the Local School District's*
23 *ADM for the previous year multiplied by fifteen hundred dollars (\$1,500) per*
24 *ADM.*

25 (t) *Student Needs Funding: The amount of state financial aid provided*
26 *to each Local School District from available Special Education funding,*
27 *Vocational Education funding, At-Risk funding, Isolated funding, and*
28 *Transportation Aid pursuant to rules and regulations promulgated by the State*
29 *Board of Education.*

30 (u) *Student Unit Funding: The state financial aid provided to each*
31 *Local School District calculated as follows: by dividing the total funds*
32 *available for textbook aid, alternative education including gifted and*
33 *talented education programs, restructuring and staff development by the total*
34 *State ADM for the previous year and multiplying by such Local School*
35 *District's ADM for the previous year.*

1 (v) Total State and Local Revenue Per ADM: In each Local School
2 District, the amount calculated by taking the sum of:

3 (1) The Local School District's maintenance and operations
4 millage times ninety-eight percent (98%) of the district's assessed
5 valuation; and

6 (2) The Local School District's debt service mills not required
7 to pay off debt times ninety-eight percent (98%) of the district's assessed
8 valuation; and

9 (3) The Local School District's current expenditure mills times
10 ninety-eight percent (98%) of the district's assessed valuation; and

11 (4) The State Equalization Funding, Student Classroom Teacher
12 Funding, Student Unit Funding, Vocational Funding, General Facilities
13 Funding, and Student Growth Funding available to such Local School District;
14 and
15 by dividing by the ADM of the Local School District.

16

17 SECTION 5. Local school districts.

18 (a) Beginning with the 1995-96 school year, each local school district
19 shall prepare an annual certified audit of the financial condition and
20 transactions of the Local School District as of June 30 of each year in
21 accordance with generally accepted accounting practices and containing any
22 other data as determined by the State Board of Education.

23 (b) Nothing in this legislation shall be construed to authorize,
24 permit or require consolidation of any school district.

25

26 SECTION 6. State Board of Education

27 (a) The State Board of Education pursuant to the Quality Education Act
28 of 1983 shall review and revise the Arkansas Minimum Standards for
29 Accreditation to assure a general, suitable and efficient system of public
30 education in the State.

31 (b) The State Board of Education shall submit proposed revisions to
32 the Standards to the Joint Interim Committee on Education on or before
33 November 30, 1995.

34 (c) The State Board of Education shall devise a process for involving
35 teachers, school administrators, school boards, and parents in the definition

1 of an "adequate" education for Arkansas students.

2 (d) The State Board shall seek public guidance in defining an adequate
3 education and shall submit proposed legislation defining adequacy to the
4 Joint Interim Committee on Education prior to December 31, 1996.

5 (e) The State Board of Education shall promulgate rules and
6 regulations to evaluate each local school district's fiscal solvency and to
7 address any fiscal shortcomings of a local school district.

8

9 SECTION 7. Enforcement Mechanisms Beginning July 1, 1996.

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

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

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

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

33 (b) The Department of Education shall distribute any funds transferred
34 pursuant to subsection (a) of this section to the Local School District that
35 failed to levy the Base Millage in a fashion that, when combined with the

1 revenues produced by the millage available for maintenance and operations
2 actually levied by the Local School District, provides the same amount of
3 revenues as would have been provided by levying the Base Millage in the Local
4 School District. If the Department of Education determines that a Local
5 School District has failed to levy at least the Base Millage, the Director of
6 the Department of Education shall so certify to the Chief Fiscal Officer of
7 the State. Upon receiving such certification, the Chief Fiscal Officer of
8 the State shall utilize all methods available to him which shall cause any
9 county, municipality, or other political subdivision within which the Local
10 School District is located to become ineligible for grants from any
11 discretionary state grant awards program.

12 (c) For purposes of this section, a Local School District located in
13 two or more counties shall be considered located within the county,
14 municipality or political subdivision within which resides the greater number
15 of registered voters of the Local School District.

16 (d) If the Department of Education determines that a Local School
17 District has levied a millage in excess of the Incentive Millage, the
18 Director of the Department of Education shall withhold from any available
19 funds otherwise distributable to the Local School District under this act an
20 amount equal to the revenues in excess of the Incentive Revenues. This
21 subsection shall not apply to the extent such application would violate any
22 federal court order.

23 (e) For purposes of determining whether a Local School District has
24 levied a millage in excess of the Incentive Millage, millage used to service
25 debt or dedicated to capital outlay shall not be included.

26 (f) This section shall be effective on or after July 1, 1996, except
27 as specifically otherwise provided.

28

29 SECTION 8. Arkansas Code Annotated § 6-17-1001 shall be amended to read
30 as follows:

31 "6-17-1001. Minimum base salary - Master_s degree.

32 (a) The board of directors in each school district in the state shall
33 pay their teachers upon a salary schedule which has annual increments for
34 education and experience and which provides for a base salary, a minimum
35 salary for a teacher with a master_s degree, and at least fourteen (14) years

1 of experience as described herein.

2 (b) In school year 1996-97 and each school year thereafter, no school
3 district shall pay its teachers with a bachelor_s degree and no experience
4 less than twenty thousand dollars (\$20,000).

5 (c) In school year 1996-97 and each school year thereafter, school
6 districts shall pay teachers with a master_s degree and no experience at
7 least one hundred fifteen percent (115%) of the minimum base salary
8 prescribed in subsection (b) of this section.

9 (d) In school year 1997-98, school districts shall pay a teacher with
10 a master_s degree and at least fourteen (14) years of experience one hundred
11 fifty percent (150%) of the state minimum base salary.

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

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

17	Years Experience	BA Degree Salary	MA Degree Salary
18	0	\$20,000	\$23,000
19	1	\$20,400	\$23,400
20	2	\$20,800	\$23,800
21	3	\$21,200	\$24,200
22	4	\$21,600	\$24,600
23	5	\$22,000	\$25,000
24	6	\$22,400	\$25,400
25	7	\$22,800	\$25,800
26	8	\$23,200	\$26,200
27	9	\$23,600	\$26,600
28	10	\$24,000	\$27,000
29	11	\$24,400	\$27,400
30	12	\$24,800	\$27,800
31	13	\$25,200	\$28,200
32	14 or more	\$25,600	\$30,000

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

1 (g) For the 1998-99 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 three (3) and four (4) years of experience.

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

8 (i) For the 2000-01 school year and each year thereafter, each school
9 district shall provide no less than four hundred dollar (\$400) increments for
10 experience for teachers with seven (7) and eight (8) years experience.

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

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

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

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

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

29 (o) A district which determines that it cannot meet the minimum salary
30 requirements of this section from funds available may petition the Department
31 of Education for a waiver of the requirements of this section for up to two
32 (2) school years, based on regulations promulgated by the State Board of
33 Education. The State Department of Education shall not grant a waiver to any
34 district which is not in compliance with the Base Millage requirements."

35

1 SECTION 9. Arkansas Code Annotated 26-80-110 shall be amended to read
2 as follows:

3 "26-80-110. Current Expenditures Tax.

4 (a)(1) The board of directors of each Local School District is
5 authorized, upon approval of a majority of the qualified voters in the school
6 district voting in the annual school election, to levy and collect a tax not
7 to exceed five percent (5%) of a school district's current expenses or three
8 (3) mills, whichever is less, upon real and personal property for current
9 expenditures of the Local School District.

10 (2) The approved tax shall be assessed, levied, and collected
11 as provided by law for other school taxes.

12 (b) Any funds received from the collection of a current
13 expenditures tax shall only be used for the following purposes:

14 (1) Purchase of school buses;

15 (2) Purchase of furniture or equipment to support the
16 instructional program;

17 (3) Purchase of computer software;

18 (4) Renovation or repair of existing facilities; or

19 (5) Repaying revolving loans for any of the purposes
20 previously listed.

21 (c) Local School Districts which have levied a capital outlay tax
22 prior to the amendment of this section are authorized to continue such levies
23 for the terms and purposes approved by the majority of voters at the time of
24 their adoption.

25 (d) Any levy of a current expenditures tax proposed subsequent to
26 the adoption of this section shall be limited as set forth in subsection (b)
27 of this section and, when combined with capital outlay levies approved prior
28 to the adoption of this section and still in effect, shall not exceed five
29 percent (5%) of current expense or three (3) mills, whichever is less."
30

31 SECTION 10. Miscellaneous.

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

35

1 SECTION 11. *Liberal Construction.*

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

5

6 SECTION 12. *General Repealer.* All laws and parts of laws in conflict
7 with this Act are hereby repealed.

8

9 SECTION 13. All provisions of this act of a general and permanent
10 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
11 Code Revision Commission shall incorporate the same in the Code.

12

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

18

/s/Rep. M. Wilson, et al

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