

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

A Bill

SENATE BILL 795

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"

18
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

20
21 SECTION 1. This act shall be known as "The Equitable School Finance
22 System Act of 1995".

23
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 substantially equal and
24 constitutionally appropriate revenue for the education of each similarly
25 situated child in the public schools regardless of where that child resides
26 within the state;

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

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

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

1 evolves over time to higher levels;

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

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

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

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

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

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

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

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

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

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

33 (i) The General Assembly acknowledges that the Arkansas Constitution
34 requires the State to provide a general, suitable and efficient system of
35 free public schools. Such obligation has been held by the Arkansas courts to

1 be a paramount duty of the State despite a local school board's ability to
2 propose its own property tax rate.

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

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

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

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

12

13 **SECTION 3. School Funding.**

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

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

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

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

20 (4) Category 4. Student Needs Funding.

21 However, no subsequent category of funding shall receive any funding until
22 each prior Category is fully funded. If any category of funding, excluding
23 category 1, is only partially funded, each Local School District shall
24 receive a pro rata share.

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

29 (c) Beginning with the 1996-97 school year, the state shall provide
30 from available funds a Debt Service Funding Supplement to qualifying local
31 school districts for the purpose of reducing existing debt service burdens
32 voted by February 22, 1995, and increasing the amount of local revenue
33 available for maintenance and operations expenditures.

34 (d) The legislative intent is to continue providing a Debt Service
35 Funding Supplement to qualifying Local School Districts through available

1 funds in a line item appropriation within the Public School Fund and as
2 existing debt obligations decrease to transfer at least the amount of funding
3 provided during the 1996-97 school year to line item appropriations for
4 General Facilities Funding and Growth Facilities Funding.

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

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

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

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

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

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

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

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

34 (A) Calculate a three-year average percentage not to
35 exceed twelve and one-half percent (12.5%), based on the three (3)

1 immediately preceding December 1 counts of students in special education; and

2 (B) Multiply the three-year average percentage not to
3 exceed twelve and one-half percent (12.5%) times the average daily membership
4 and multiply the result times sixty-four hundredths (.64) times the Base
5 Local Revenue Per Student.

6 (3) Local School Districts shall expend from state and local
7 revenues not less than the following amounts on Vocational Education students
8 in accordance with rules and regulations promulgated by the State Board of
9 Education: The previous year's ADM participating in vocational education
10 programs multiplied by thirty-four hundredths (.34) times the Base Local
11 Revenue Per Student. *Participating Local School Districts shall transfer to*
12 *approved vocational centers all funds that districts have previously*
13 *transferred to such centers on an ADM basis.*

14 (4) Local School Districts shall expend from state and local
15 revenues not less than the following amounts on Alternative Education
16 Programs in accordance with rules and regulations promulgated by the State
17 Board of Education: The previous year's ADM participating in alternative
18 education, up to two percent (2%) of the previous year's ADM, multiplied by
19 fifteen hundredths (.15) times the Base Local Revenue Per Student.

20 (k) 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, the Local School District shall not expend
23 funds for school construction not under contract as of February 22, 1995.

24 (l) *Local School Districts shall expend from state and local*
25 *revenues not less than the following amounts on gifted and talented programs*
26 *in accordance with rules and regulations promulgated by the State Board of*
27 *Education: the previous year_s ADM participating in gifted and talented*
28 *programs, up to five percent (5%) of the previous year_s ADM, multiplied by*
29 *fifteen hundredths (.15) times the Base Local Revenue Per Student.*

30

31 SECTION 4. Definitions.

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

33 (a) Alternative Education Program: An intervention program, in
34 compliance with Ark. Code Ann. §§ 6-18-508 and 6-18-509, that seeks to
35 eliminate traditional barriers to learning for students and includes a

1 component for the education of gifted and talented students.

2 (b) At-Risk Funding: Financial aid provided to Local School Districts
3 based upon the number of students with low test scores, the number of
4 children receiving free or reduced price lunches, the number of households
5 below the poverty level, or the number of children with limited English
6 proficiency.

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

12 (d) Base Local Revenue Per Student: If Category 1 is fully funded,
13 the local revenue per student in the Local School District with the highest
14 amount of Local Revenue Per Student. If Category 1 is not fully funded, the
15 Revenue Per Student to which the state equalizes calculated by taking the sum
16 of:

17 (1) The total available state aid for State Equalization Funding
18 per student;

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

21 (3) Seventy-five percent (75%) of Miscellaneous Funds *collected*
22 *in the previous year*; and

23 by dividing the sum by the total state ADM.

24 (e) Base Millage: Twenty-five (25) mills.

25 (f) Classroom Teacher: An individual required to hold a teaching
26 license from the State Department of Education and who is engaged directly in
27 instruction with students in a classroom setting for more than seventy
28 percent (70%) of the individual's contracted time, or a guidance counselor,
29 or a librarian.

30 (g) Debt Service Funding Supplement: the state financial aid provided
31 to qualifying local school districts for the purpose of reducing existing
32 debt service burdens and increasing the amount of local revenue available for
33 maintenance and operations expenditures and calculated as follows: for each
34 mill required to meet the annual debt service expenditure obligation, the
35 local school may be provided up to twelve dollars (\$12.00) per ADM times the

1 difference of one minus the ratio of the district's Local Revenue Per Student
2 and State Equalization Funding Per Student.

3 (h) Equalized Local Revenue Per Student: In each Local School
4 District the amount equal to the sum of Local Revenue Per Student and State
5 Equalization Funding Per Student.

6 (i) General Facility Funding: The state financial aid provided to
7 each Local School District, voting the Base Millage, from funds made
8 available for that purpose based on a facilities needs assessment
9 justification approved by the State Board of Education, and calculated as
10 follows: *The Local School District may be provided up to thirty-five dollars*
11 *(\$35.00) multiplied by the Local School District's ADM for the previous year*
12 *multiplied by the difference between one (1) minus the ratio of the Local*
13 *Revenue Per Student and State Equalization Funding Per Student.*

14 (j) Growth Facility Funding: *The state financial aid provided to each*
15 *Local School District from funds made available for that purpose, based upon*
16 *a facilities needs assessment justification approved by the State Board of*
17 *Education, and calculated as follows: Each Local School District whose*
18 *student growth from the previous year to the first quarter of the current*
19 *year exceeds the state average ADM growth may receive an amount up to such*
20 *ADM growth in the Local School District times the ratio of the total funds*
21 *available for allocation divided by the state's gross increase in ADM.*

22 (k) Incentive Millage: *The millage rate which may be levied by a*
23 *Local School District to obtain Incentive Revenue.*

24 (l) Incentive Revenue: *The amount of revenue, not to exceed one*
25 *hundred twenty-five percent (125%) multiplied times the Base Local Revenue*
26 *Per Student.*

27 (m) Isolated Funding: *The state financial aid provided to qualifying*
28 *Local School Districts from funds made available for that purpose and*
29 *calculated as follows:*

30
$$\frac{(350 - \text{Previous year's ADM})}{850} \text{ Previous year's ADM times}$$

31
32 *the Base Local Revenue Per Student.*

33 (n) Local Revenue Per Student: *In each year ninety-eight percent*
34 *(98%) of the amount of revenue available, whether or not collected, in a*
35 *Local School District, solely from the levy of the Base Millage plus*

1 seventy-five percent (75%) of the Miscellaneous Funds collected in the
2 previous year divided by the ADM of such Local School District for the
3 previous year.

4 (o) *Local School District:* A class of school district which conducts
5 the daily affairs of public schools pursuant to the supervisory authority
6 vested in them by the General Assembly.

7 (p) *Local School District at the ninety-fifth (95th) percentile:* When
8 ranking districts in descending order by the Total State and Local revenue
9 Per ADM, the district which falls at the ninety-fifth (95th) percentile of
10 the total number of pupils in attendance in the schools of this state, as
11 described by 34 C.F.R. 222.63 [1994].

12 (q) *Minimum State and Local Revenue per ADM:* An amount no less than
13 eighty percent (80%) of the Total State and Local Revenue Per ADM of the
14 Local School District at the ninety-fifth (95th) percentile.

15 (r) *Miscellaneous Funds:* Those funds received by a Local School
16 District from federal forest reserves, federal grazing rights, federal
17 mineral rights, federal impact aid, federal flood control, wildlife refuge
18 funds, severance taxes and funds received by the district in lieu of taxes.

19 (s) *State Equalization Funding Per Student:* The amount of state
20 financial aid per ADM provided to each Local School District calculated by
21 subtracting the Local Revenue Per Student from the Base Local Revenue Per
22 Student.

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

27 (u) *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 multiplied by forty*
32 *hundredths (.40) times the increase, if any, in such Local School District's*
33 *ADM for the first quarter of the current year over the Local School*
34 *District's ADM for the previous year; and*

35 (2) *The increase, if any, in such Local School District's ADM*

1 for the first quarter of the current year over the Local School District's
2 ADM for the previous year multiplied by fifteen hundred dollars (\$1,500) per
3 ADM.

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

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

15 (x) *Total State and Local Revenue Per ADM:* In each Local School
16 District, the amount calculated by taking the sum of:

17 (1) *The Local School District's maintenance and operations*
18 *millage times ninety-eight percent (98%) of the district's assessed*
19 *valuation; and*

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

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

25 (4) *State Equalization Funding, Student Classroom Teacher*
26 *Funding, Student Unit Funding, Vocational Funding, General Facilities*
27 *Funding, and Student Growth Funding available to such Local School District;*
28 *and*
29 *by dividing by the ADM of the Local School District.*

30

31 **SECTION 5. Local school districts.**

32 (a) *Beginning with the 1995-96 school year, each local school district*
33 *shall prepare an annual certified audit of the financial condition and*
34 *transactions of the Local School District as of June 30 of each year in*
35 *accordance with generally accepted accounting practices and containing any*

1 other data as determined by the State Board of Education.

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

4 (c) If the enactment of the Equitable School Finance Act of 1995
5 creates an unanticipated adverse impact or an unexpected fiscal crisis for
6 any Local School District, the Local School District may appeal to the State
7 Board of Education; and the State Board of Education may award the Local
8 School District financial relief from available funds provided for this
9 purpose.

10

11 SECTION 6. State Board of Education and Department of Education.

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

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

19 (c) The State Board of Education shall devise a process for involving
20 teachers, school administrators, school boards, and parents in the definition
21 of an "adequate" education for Arkansas students.

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

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

28 (f) The Department of Education in consultation with State Building
29 Services shall conduct a facilities needs assessment of each Local School
30 District in this state and file a written report with the Joint Interim
31 Committee on Education by December 31, 1996.

32

33 SECTION 7. Enforcement mechanisms.

34 (a) On or before December 1, 1995, and on or before each subsequent
35 December 1 thereafter, the Director of the Department of Education shall

1 certify to the Director of the Department of Finance the name of any Local
2 School District which has failed to levy at least the Base Millage. For
3 taxable years beginning on and after January 1, 1996, there is hereby levied
4 an income tax surcharge of ten percent (10%) of the tax liability of every
5 individual resident of each Local School District not levying the Base
6 Millage prior to December 1 of the preceding year (certification year).

7 (b) The tax surcharge levied in subsection (a) of this section shall
8 apply to tax liability for the taxable year following the certification year.
9 An individual shall not be relieved of liability for the tax surcharge if
10 his or her Local School District subsequently levies the Base Millage between
11 December 1 of the certification year and the time the individual's tax return
12 for the taxable year following the certification year is required to be
13 filed.

14 (c) If an individual is a resident of an Arkansas border city
15 described in § 26-52-601, et seq., and a Local School District within the
16 border city does not levy the Base Millage, the individual shall be liable
17 for the income tax surcharge levied in subsection (a) of this section. The
18 surcharge shall be computed on the tax liability that would have been due had
19 the income tax exemption of § 26-52-601, et seq., not been available. The
20 income tax exemption of § 26-52-601, et seq., shall not apply to the income
21 tax levied in subsection (a) of this section.

22 (d) There is hereby created on the books of the State Treasurer a fund
23 to be known as the "Public School Support Fund." The income tax surcharge
24 levied in subsection (a) of Section 2 of this act shall be special revenues
25 and shall be deposited in the State Treasury and credited to the "Public
26 School Support Fund."

27 (e) At the end of each month the State Treasurer shall certify to the
28 Department of Education such amounts as have accrued in the Public School
29 Support fund and shall transfer such amounts to the Public School Fund where
30 the Department of Education shall distribute those additional funds to the
31 Local School Districts that failed to levy the Base Millage in a fashion
32 that, when combined with the revenues produced by the millage available for
33 maintenance and operation actually levied by each Local School District,
34 provides the same amount of revenues as would have been provided by levying
35 the Base Millage in such Local School District.

1 (f) *If the Department of Education determines that a Local School*
2 *District has levied a millage in excess of the Incentive Millage, the*
3 *Director of the Department of Education shall withhold from any available*
4 *funds otherwise distributable to the Local School District under this act an*
5 *amount equal to the revenues in excess of the Incentive Revenues. This*
6 *subsection shall not apply to the extent such application would violate any*
7 *federal court order or to the extent such application would harm a district*
8 *in fiscal distress.*

9 (g) *For the purposes of determining whether a Local School District*
10 *has voted the Base Millage, millage used to service debt shall not be*
11 *included. However, for the 1995 calendar year, this section shall not apply*
12 *to any district whose Local Resource Rate exceeds the State Base Equalization*
13 *Rate. For the 1996 calendar year and hereinafter, this section shall not*
14 *apply to any district which has a Local Revenue Per Student in excess of the*
15 *Base Local Revenue Per Student.*

16

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

19 "6-17-1001. Minimum base salary - Master_s degree.

20 (a) The board of directors in each school district in the state shall
21 pay their teachers upon a salary schedule which has annual increments for
22 education and experience and which provides for a base salary, a minimum
23 salary for a teacher with a master_s degree, and at least fourteen (14) years
24 of experience as described herein.

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

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

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

35 (e)(1) In school year 1995-96 and each school year thereafter, each

1 school district in the state shall have in place a salary schedule which
2 provides at least fourteen (14) annual increments for experience.

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

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

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

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

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

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

34 (j) For the 2001-02 school year and each year thereafter, each school
35 district shall provide no less than four hundred dollar (\$400) increments for

1 experience for teachers with nine (9) and ten (10) years experience.

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

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

8 (m) Subsections (f) through (l) of this section shall not apply to any
9 Local School District whose minimum salary for teachers exceeds twenty
10 thousand dollars (\$20,000) and whose average salary exceeds the state average
11 salary for teachers for the previous year.

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

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

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

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

30 "26-80-110. Current Expenditures Tax.

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

1 expenditures of the Local School District.

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

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

6 (1) Purchase of school buses;

7 (2) Purchase of furniture or equipment to support the
8 instructional program;

9 (3) Purchase of computer software;

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

11 (5) Repaying revolving loans for any of the purposes
12 previously listed.

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

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

22

23 *SECTION 10. Facilities funding for the 1995-96 school year.*

24 (a) *For the 1995-96 school year, the Department of Education shall*
25 *provide General Facilities Funding to Local School Districts from available*
26 *revenues within a line item appropriation in the Public School Fund based*
27 *upon the following formula: an amount up to thirty-five dollars (\$35.00) per*
28 *ADM times the difference between one (1) minus the ratio of the local*
29 *resource rate and the table rate.*

30 (b) *For purposes of subsection (a), the local resource rate, the state*
31 *base equalization rate and the table rate shall be determined using a charge*
32 *of eighteen (18) mills.*

33 (c) *A Local School District may only use General Facilities Funding*
34 *for the purchase of school buses, furniture, equipment, computer software or*
35 *renovation or repairs of existing facilities.*

1 (d) For the 1995-96 school year, the Department of Education shall
2 provide Growth Facilities Funding to Local School Districts from available
3 revenues within a line item appropriation in the Public School Fund.

4 (e) A Local School District may only use Growth Facilities Funding for
5 capital outlay which means for the acquisition of land or a school site and
6 construction of new school facilities.

7

8 SECTION 11. At-Risk funding for the 1995-96 school year.

9 (a) For the 1995-96 school year, the Department of Education shall
10 provide At-Risk Funding to Local School Districts from available revenues
11 within a line item appropriation in the Public School Fund.

12 (b) The State Board of Education shall promulgate rules and
13 regulations for the disbursement of available funds and shall take into
14 account the following types of At-Risk programs: compensatory education,
15 alternative learning programs, ACT and summer school remediation, programs
16 for students with limited English proficiency and classroom management
17 training for faculty.

18

19 SECTION 12. 1995-96 Growth Funding.

20 For the 1995-96 school year, the distribution of growth funding shall
21 not raise the charge specified in Ark. Code Ann. § 6-20-306.

22

23 SECTION 13. Miscellaneous.

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

27

28 SECTION 14. Liberal Construction.

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

32

33 SECTION 15. Specific Repealer.

34 (a) Effective July 1, 1995, Arkansas Code Annotated § 6-20-320
35 is hereby repealed.

